THE RICHMOND FELLOWSHIP

England & Wales · Charity number 200453

Details

Status	Registered
Legal form	Charitable company
Company number	00662712
Registered	1961-09-20
Register	View on the Charity Commission register

Contact

Address	The Richmond Fellowship 80 Holloway Road London N7 8JG
Phone	020 76973300
Email	company.secretary@richmondfellowship.org.uk
Website	www.richmondfellowship.org.uk

Activities

Objects: TO PROVIDE A HOME AND COMMUNITY LIFE FOR THE FELLOWSHIP'S BENEFICIARIES; TO ASSIST AND TREAT THE FELLOWSHIP'S BENEFICIARIES; TO ADVANCE THE EDUCATION OF THE PUBLIC IN ALL ASPECTS OF THE TREATMENT AND CARE OF THE FELLOWSHIP'S BENEFICIARIES; AND TO ADVANCE OTHER EXCLUSIVELY CHARITABLE PURPOSES. "THE FELLOWSHIP'S BENEFICIARIES" MEAN ANY PERSON WHO HAS MENTAL OR PHYSICAL HEALTH PROBLEMS; HAS A LEARNING DISABILITY; HAS PROBLEMS WITH ALCOHOL OR SUBSTANCE ABUSE.

Activities: Richmond Fellowship (RF) is a national provider of care and rehabilitation for people living with mental health problems, with close to 60 years experience. RF has a subsidiary organisation that has completed a separate annual return. RF offers over 120 facilities, including crisis support, residential, employment and community schemes, well-being projects and domestic violence services.

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Classification

- **How:** Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Accommodation/housing, Economic/community Development/employment, Other Charitable Purposes
- **Who:** Children/young People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Defined Groups

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£7,737,000	£8,294,000	£0	158
2024-03-31	£51,622,000	£51,610,000	£43,890,000	1152
2023-03-31	£47,477,000	£46,679,000	£43,048,000	1090
2022-03-31	£47,860,000	£45,774,000	£42,798,000	1175
2021-03-31	£46,151,000	£44,910,000	£40,521,000	1382

Trustees

Name	Role	Appointed
Carolyn Regan		2023-04-01
Danielle Oum		2023-05-30
Ian Edward Ayling		2021-06-02
Kapil Bakshi		2020-01-01
Maureen Hopcroft		2021-09-01
Paul John Najsarek		2022-04-01
Susan Anne Moore		2022-04-01

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THE RICHMOND FELLOWSHIP

England & Wales - Charity number 200453

Accounts

RICHMOND FELLOWSHIP
MAKING RECOVERY REALITY

Annual Report and Financial Statements 2024-2025

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RICHMOND FELLOWSHIP GROUP BOARD MEMBERS AND ADVISERS

BOARD MEMBERS

Non-Executive Directors

Carolyn Regan	Chair
Ian Ayling	
Kapil Bakshi	
Maureen Hopcroft	
Susan Moore	
Paul Najsarek	
Danielle Oum	
Rachel Perkins	(*resigned October 2024*)
Jonathan Royle	(*resigned October 2024*)

Executive Directors

June Riley	Interim Group Chief Executive (*resigned June 2024*)
June Riley	Group Director of Finance and IT (r*esigned June 2024*)

COMPANY SECRETARY

Andrew Whitley	Company Secretary (resigned 1 August 2025)
June Riley	Company Secretary (appointed 1 August 2025)

SOLICITORS

Bates Wells & Braithwaite LLP (trading as Bates Wells)
10 Queen Street Place
London EC4R 1BE

BANKERS

Lloyds Bank Plc
4th Floor
25 Gresham Street
London EC2V 7HN

INDEPENDENT AUDITOR

S&W Audit
Statutory Auditors
Chartered Accountants
45 Gresham Street
London EC2V 7BG

REGISTERED OFFICE

80 Holloway Road
London N7 8JG

COMPANY REGISTRATION

00662712

CHARITY NUMBER

200453

REGISTERED PROVIDER OF SOCIAL HOUSING

H2025

WEBSITES

www.waythrough.org.uk

Introduction from the Chair

On 1 June 2024, Richmond Fellowship formally merged with Humankind to create a new organisation, now known as Waythrough. This merger represents one of the most significant collaborations in the UK voluntary sector, bringing together two charities with long-standing legacies and shared values. By joining forces, we are better placed to enhance the support we provide to people facing complex and multiple disadvantages, helping them to achieve more positive and sustainable outcomes.

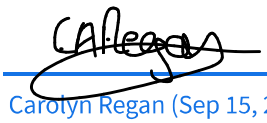
From 1 June 2024, operational delivery and ongoing contracts transferred to Waythrough, and as a result, these accounts hugely reflect the activity of Richmond Fellowship prior to the merger. Full financial performance and position for the continuing services are reported in Waythrough's consolidated accounts.

Following the legal merger, Recovery Focus — the brand name for Richmond Fellowship Group - ceased substantive trading activities, with a key focus on ensuring the smooth transfer of contracts, services, and assets. The deregistration process for Richmond Fellowship is expected to conclude in 2025/26.

We were proud to publicly launch Waythrough in October 2024, with formal registration completed in February 2025. We have developed a clear identity and are committed to upholding our promise and values:

- **Our vision** is to break down the barriers that stop people from getting the support they need to live a life they value.
- **Our Promise** is that wherever you are now, we won't judge or write you off; we'll help you work out who you want to be and where you want to go. And we will stick with you until you're ready to move on.
- **Our Values**:
  - **Kindness**. Be generous, caring and compassionate
  - **Courage**. Be bold, trust, commit
  - **Respect**. Everyone deserves dignity

I would like to extend my sincere thanks to our staff, trustees, commissioners, and stakeholders for their commitment and support during this period of significant change. The achievements of Richmond Fellowship over many decades have laid strong foundations for this next chapter. I am confident that Waythrough will continue to build on this proud legacy, driving innovation and delivering even greater impact for the people and communities we serve.



Carolyn Regan (Sep 15, 2025 18:50:52 GMT+1)

Carolyn Regan, *Chair, Richmond Fellowship*

REPORT OF THE BOARD

STRATEGIC REPORT

As at 31 May 2024, the Group comprised Richmond Fellowship (RF) and Aquarius Action Projects (together known as "Recovery Focus"). Both are registered charities, with RF also a registered provider of social housing.

On 1 June 2024, RF and Aquarius became subsidiaries of Humankind Charity which later rebranded as **Waythrough** Group, and Richmond Fellowship stopped substantial trading activity. This report summarises the strategic direction based on our most recently published accounts and sets out how our future strategy aligns with the wider Group's priorities.

Our mission has always been to empower individuals living with mental ill health, addiction, gambling harms, or domestic abuse to achieve personal recovery and live meaningful lives.

We bring together expertise across these sectors, recognising that the people we support often have multiple and complex needs. By working collaboratively across our services, we deliver personalised recovery plans that address each individual's circumstances.

The merger with Humankind Charity, effective 1 June 2024, strengthens our ability to combine resources, knowledge, and best practice to improve outcomes for those we support.

OUR ACTIVITIES AND MODELS TO SUPPORT RECOVERY

We provide a wide range of **specialist support services** designed to meet the diverse needs of the people we support:

- **Mental Health Crisis Services –** Short-term, intensive residential and community-based support for individuals experiencing a mental health crisis.
- **Community Mental Health Services –** Building recovery and resilience, helping people remain well and avoid intensive interventions.
- **Employment Support –** Helping people gain and sustain employment, working at a pace that suits them and in partnership with employers.
- **Floating Support –** Assisting individuals in their own homes to manage mental health challenges and maintain independence.
- **Residential Recovery Services –** Providing accommodation and structured support for individuals at risk of homelessness or repeat hospitalisation.
- **Social Enterprises –** Creating employment, training, and income-generation opportunities for people with lived experience.
- **Domestic Abuse Services –** Supporting survivors and working with perpetrators through tailored programmes and peer support.
- **Drug, Alcohol, and Gambling Services –** Offering holistic recovery support for individuals and families impacted by addiction.
- **Gambling Harm Support –** Providing tailored advice and interventions for people of all ages affected by gambling.

Strategy, Corporate Plan and Business Models

This financial year would have been second year of our 2023–26 Group Strategy,*"Inspiring Recovery Together"*, which sets out our vision to provide more effective and meaningful support so that everyone can lead a life they value. As a group of charities, we recognise the need to adapt to a changing external environment to ensure we continue delivering the highest quality services.

Our focus is on enhancing services and building strong partnerships, underpinned by evidence-based practice and innovative approaches to recovery. We take a holistic, person-centred approach, empowering people with lived experience to shape our work and support others on their recovery journey.

Through this strategy, we remain committed to improving lives by placing people's needs, aspirations, and hopes for the future at the heart of everything we do.

Our strategic priorities	What success looks like
Quality Services: We'll deliver and develop quality services everyone can be proud of.	• People get the support they need when they need it. • People are safe. • People achieve their goals and move on in a planned way. • Everyone has a home, the opportunity to work and friends they can rely on. • People get the same support worker throughout the time they are supported, if that is what they choose. • Staff will be equipped with the skills, knowledge, and expertise to deliver quality services.
Working Together: We'll put people at the heart of everything we do.	• Working Together Strategic Plan, Charter Mark and Tenant's Charter in place to deliver key milestones. • Health inequalities in service delivery are addressed. • Communities of practice deliver measurable improvements in each operating sector. • Mechanisms in place to support people with lived experience to be recruited, retained and achieve progress. • Sustained positive feedback on the satisfaction of people we support.
Reach: We'll strengthen our presence and partnerships in the places we operate.	• More people will be reached in the places we operate. • The strategic partnerships we develop will add value and be effective. • Our operating models will meet local needs, demonstrating best practice. • Our services will be embedded within local health and social care systems. • We'll deliver long term solutions to local needs. • People will know who Recovery Focus is, what we do and what we stand for.
Sustainability: We'll ensure the sustainability of the Recovery Focus Group.	• Stabilised staffing and improved recruitment fill rates across the organisation. • An established system of fair, affordable pay forming part of a strategy to making working at RF a viable, respected, and sustainable career choice. • Refreshed management structures at affordable levels prompting a culture of people focused cooperation around a 'One Team Approach'. • Improved feedback from our Investors in People assessments.
Impact: We'll ensure our services provide personal and social impact.	• Our data capture mechanisms will be used consistently across services to clearly demonstrate the effectiveness of our interventions. • We'll report on the impact of each of our operating sectors. • Consistent positive feedback from commissioner surveys • We'll be demonstrably integral to provider and strategic networks. • We'll be known as market leaders in our sectors.

REVIEW OF THE YEAR AND KEY PERFORMANCE INDICATORS

Financial performance in the year

The financial results for the year ended 31 March 2025 substantially reflects only two months of trading activity, as Richmond Fellowship transferred its operations, assets, liabilities, and its subsidiary to the newly formed Waythrough Group on 1 June 2024, following its merger with Humankind. Consequently, these figures exclude any post-merger activity or balances transferred as part of the asset transfer.

During the two-month trading period, total revenue was £7.6 million *(2024: £44.5 million)*, comprising:

- Rental and service charge income: £1.2 million
- Non-rental income: £6.4 million

Operating costs for the period totalled £8.3 million, resulting in a core operating deficit of £0.7 million *(2024: £1.3 million deficit)*. No fair value movements or disposal gains were recorded, and the overall reported deficit for the period was £0.6 million *(2024: £0.2 million surplus)*.

As all material assets, liabilities, and reserves were transferred to Waythrough on 1 June 2024, the balance sheet as at 31 May 2025 reflects a nil position.

Due to the truncated reporting period, year-on-year financial ratios are not directly comparable. For reference, the operating margin for 2025 was (8.7%), and the cost-to-income ratio stood at 108.7%, primarily driven by fixed operating costs over a reduced income base.

These results should be viewed in the context of the strategic merger and the cessation of Richmond Fellowship's standalone trading activities from 1 June 2024. Full-year financial performance and the overall financial position are reported within the consolidated accounts of Waythrough.

PRINCIPAL BUSINESS RISKS AND UNCERTAINTIES

The Group Leadership Team (GLT) is responsible for reviewing risks and overseeing the Group Risk Register on a quarterly basis before presenting updates to the Board's Audit and Assurance Committee. This ensures effective Board oversight and engagement in managing organisational risks.

Our risk management framework prior to the merger included:

- **Group Risk Register –** Identifies key risks and their interdependencies, aligned with our strategic priorities. It tracks risk trends and outlines actions to manage controllable risks while adapting frameworks to mitigate less controllable ones.
- **Operational and Functional Risk Registers –** Support the corporate register by capturing emerging risks and enabling day-to-day management, helping us maintain a strong organisational risk culture.
- **Controls and Assurances Mapping –** Establishes clear links between our first, second, and third lines of defence, ensuring we use our controls effectively across the organisation.

Internal auditors played a vital role, providing assurance on the design and effectiveness of controls and supporting continuous improvements to our risk management practices.

Principal Risks

1. Workforce Recruitment and Retention
Staff recruitment and retention remain significant challenges across the sector, affecting service continuity and quality of care. While recruitment pressures eased slightly towards the end of the year, turnover remains high. Our focus remains on:

- Ensuring appropriate staffing levels
- Maximising continuity of care
- Investing funds in frontline services
- Maintaining a market-median pay strategy to attract and retain skilled staff

Oversight of this risk is maintained by the People Committee for both the Group and Aquarius Boards.

2. Commissioning and Financial Viability
A growing number of commissioners are seeking enhanced services at lower costs, creating financial pressures. While we continue to work collaboratively with commissioners, we have, where necessary, strategically withdrawn from contracts that are no longer viable. Given wider economic challenges, this risk is expected to persist, and we remain focused on developing innovative service delivery models to stay competitive.

3. Cyber Security and Fraud
Cybersecurity remains an increasingly significant risk. To manage this:

- We apply external accreditation frameworks to strengthen controls.
- We deliver robust staff training to improve vigilance.
- We closely monitor evolving fraud-related threats linked to cyber risks.

COMPLIANCE WITH OUR STATUTORY DUTIES UNDER SECTION 172 OF THE COMPANIES ACT

The Directors of Richmond Fellowship always act in good faith, believing that their actions are most likely to promote the company's long-term success for the benefit of those we support, while also addressing the immediate needs of our current beneficiaries. In accordance with our duties under section 172 of the Companies Act 2006, the Directors have had regard to the following matters:

(a) the likely impact and consequences of all immediate and long-term decisions, with social and financial returns clearly outlined alongside wider impact assessments.
(b) the interests of our stakeholders by working closely with and listening to issues raised by the people we support, our staff (including volunteers), our commissioners, regulators, suppliers, and customers. We take all feedback seriously to help us uphold this commitment.
(c) the impact of our services and their delivery on local and wider communities, as well as the environment, while continuing to provide value-for-money services.
(d) maintaining a reputation for high standards of business conduct, reflected in how our staff approach their work and our expectations of our partners and providers; and
(e) the need to act fairly between all members of the company.

For example, during the past year, we have engaged directly with service users, employees, volunteers, and commissioners through structured consultations and forums. Feedback from these sessions directly informed decisions around service redesign, workforce development, and investment priorities.

We recognise our wider environmental and social responsibilities and have taken steps to minimise our environmental footprint, improve sustainability in procurement, and support long-term community resilience.

The Board also carefully considers potential risks and competing priorities when making decisions, balancing the organisation's financial sustainability with the needs of our beneficiaries and regulatory requirements. These considerations are reflected in our governance structures and reviewed regularly.

Examples of how we have conducted our operations in this way over the past year are referenced throughout this report, together with relevant, targeted improvement plans.

DIRECTORS REPORT

FINANCIAL RISK MANAGEMENT

Richmond Fellowship proactively aimed to minimise risk exposure wherever possible. A significant potential risk was the credit risk associated with bank balances. The Company also encountered market risk from listed investments and liquidity risk from trade debtors. Much of the trade debt by value was owed to the government in one form or another, so the risk of debtor default was ultimately regarded as insignificant.

The company had a treasury policy that underpins how our liquid resources are managed. The policy included liquidity limits, investment security, and approved counterparty ratings. It was regularly monitored by the Board until merger date when all risk monitoring responsibilities was transferred along with the net assets to Humankind. The assets transferred included Investments which are split between the Cazenove Charity multi-asset fund and CCLA-COIF's ethical fund (relatively low-risk funds), portfolios that engage only with opportunities that can demonstrate high ethical standards.

POST BALANCE SHEET

Andrew Whitley, the company secretary, retired on 1 August 2025 and was replaced by June Riley. There are no other material post-balance sheet events to report.

OUR PEOPLE; DRIVING QUALITY AND IMPACT

As of 1 June 2024, Richmond Fellowship merged with Humankind to form a new entity, Waythrough. At Waythrough, our dedicated workforce and volunteers are at the heart of everything we do. Their commitment and passion are vital in delivering high-quality operational services to the people and communities we serve.

Over the past year, we continue to take significant steps to enhance our support for those who work and volunteer with us. A key focus has been on reviewing and refining our total reward offer to ensure it reflects the needs and aspirations of our people. We actively sought feedback through surveys and engagement sessions, which have informed the development of a more meaningful and responsive package. We have also introduced and embedded a new organisational values framework**—Kindness, Courage**, and **Respect—**which now underpins everything we do. These values guide our behaviours, shape our culture, and strengthen our shared sense of purpose across the organisation.

Talent development remains a central priority. We are committed to creating a welcoming, inclusive, and supportive environment from day one, offering clear opportunities for growth and progression. Our approach is underpinned by our Thrive training programme, which has embedded psychological safety as a core element of our workplace culture.

Listening to our people is fundamental to shaping how we work. Through regular workforce surveys and our open-door scheme with executive leaders, we've created clear channels for staff and volunteers to share their voices, influence decisions, and help shape the future of Waythrough. In parallel, we have been streamlining systems and processes to enhance service delivery and ensure operational excellence. These improvements have enabled our support teams to work more efficiently and effectively, ensuring frontline services are empowered and resourced to make the greatest impact. Together, our people are not only delivering services, but also shaping a stronger, more compassionate, and high-performing organisation.

DIVERSITY, EQUALITIES and SOCIAL RESPONSIBILITY

As we integrate, we remain committed to social inclusion, a vital part of our goal to reduce the stigma faced by the people we support. It is important to us that our organisation reflects and celebrates the diversity of the communities we serve. Our commitment is a golden thread running through our organisational culture, as well as our key strategies, policies, and processes. Our workforce is a strong reflection of the diversity of the people we support, ensuring balanced representation.

ENVIRONMENT

Following the merger between Richmond Fellowship and Humankind on 1 June 2024, it has been deemed unnecessary to commission a separate environmental report for this final reporting period.

To avoid duplication and ensure appropriate environmental disclosures are presented on a group-wide basis, all relevant environmental data and performance indicators will be included in the consolidated accounts and reporting of Waythrough for the year ended 31 March 2025.

Richmond Fellowship remains committed to sustainability and environmental responsibility, and the decision not to publish a separate statement reflects the transition to a unified group approach under Waythrough.

FUNDRAISING

As a Group, we do not currently engage in unsolicited direct fundraising, either to specific supporters or the general public. Occasionally, individuals who have been affected by the Group's services participate in a sponsored activity and donate the proceeds to a service or partner within the Group, doing so voluntarily. When approached in advance, we support such gestures by providing charity-branded materials. However, we do not actively monitor individuals who independently raise funds for the Group.

The Group does not participate in any voluntary fundraising schemes. It does not use commercial participants or professional fundraisers, pursues no organisation-wide fundraising programmes, and has received no complaints regarding fundraising in the year.

LEGAL STRUCTURE AND GOVERNANCE

During the year, the charities Humankind Charity and Richmond Fellowship (and their respective subsidiary entities) came together through merger to form a single new charity by means of a Transfer Agreement, enacted on 31 May 2024. Concurrently, on 31 May 2024, the sole membership of the charity Aquarius Action Projects (“Aquarius”) transferred from Richmond Fellowship to Humankind Charity.

The Transfer Agreement gifted the continuing assets and liabilities of Richmond Fellowship into the single entity Humankind Charity, and on 6 February 2025, this charity was renamed Waythrough (having already been introduced as a brand name from 1 October 2024). On merger, the new Group Board comprised seven trustees from one of the two predecessor charities.

Richmond Fellowship’s objects as they appear in the Articles are:

- to provide a home and community life for the Fellowship’s Beneficiaries;
- to provide care, assistance and treatment to the Fellowship’s Beneficiaries;
- to advance the education of the public in all aspects of the treatment and care of the Fellowship’s Beneficiaries; and
- to advance other exclusively charitable purposes

Until 1 June 2024, Richmond Fellowship operated with a unitary Board comprising up to five executive directors and up to ten non-executive directors. For all votes, the number of non-executives was required to exceed executives to maintain independent oversight.

Following the change to the Articles on 1 June 2024, executive directors were excluded from formal Board membership. After the merger with Humankind Charity, new Group Board directors have been recruited in line with the updated Articles and undertake a tailored induction programme on appointment. This includes service visits, which non-executive directors continue to complete on a rolling basis to strengthen their understanding of frontline delivery.
Board members also receive ongoing training and development, tailored to their roles and identified through regular appraisals and review discussions.
To support effective governance, the Group maintains standing orders and a schedule of delegations aligned with the Articles. A Framework Agreement between the parent and subsidiary Boards is in place, clearly setting out respective duties, delegations, and responsibilities.

As part of a Waythrough, we continue to review and enhance our policies, practices, and learning, informed by both internal experience and sector developments, to strengthen our approach to service delivery and duty of care. While policies are written at Group level, supporting local procedures are tailored to meet the needs of different settings and models of recovery.

REGULATION AND COMPLIANCE

The Company complies with the requirements of the Regulator of Social Housing (RSH), the Charity Commission, the Charities Acts, and the Companies Acts by seeking consent, filing returns, and publishing accounts as required. Compliance updates are sent to each meeting of the Audit and Assurance Committee of the Board. A small number of our services are registered with and subject to inspection by the Care Quality Commission.

Statement on public benefit

The purpose of the Company is set out in the charitable objects above. Prospective users of services across the Company are usually referred to the provider organisation by a psychiatrist, general practitioner, or other health care professional. Daycare and other non-residential services are provided free of charge at the point of delivery. Rent and any other charges for housing, residential care and nursing homes are usually covered by a range of housing and other benefits. The Company Board has given due regard to the Charity Commission's guidance on providing public benefit in its decision-making and considers that all Company activities provide public benefit.

Statement of Accountability

The Company Board accepts the obligation to account openly for its actions to the people we support, our regulators, commissioners, and other stakeholders, including the wider public. The Company Board also accepts the obligation to ensure that Company companies deliver the standards of probity required by law, their regulators, and are appropriate to their position in the community. The Company's objective is to attain a substantial level of corporate social responsibility aligned with Environmental, Social, and Governance (ESG) directives and financial climate disclosure guidelines. However, this pursuit remains subject to its primary obligation of fulfilling its charitable objectives and utilising its charitable resources for that intended purpose.

In addition to prioritising the people we support, the Company Board is committed to enhancing its identity by bringing together like-minded expert partners. As part of the merger, the Company will undergo a rebranding process over the coming year to reflect its strategic goals and enhance the profiles of both the newly formed Company and its individual partners.

Statement of compliance with the RSH's Governance and Viability Standard and the NHF Code of Governance

The latest Standards set out by the Regulator of Social Housing (RSH), effective at 31 March 2025, require compliance with an "appropriate code of governance, giving reasons for the choice and explaining areas of non-compliance" RF had chosen the National Housing Federation (NHF) Code of Governance. The NHF Code of Governance, in turn, requires compliance with the NHF Code of Conduct.

The merger of Richmond Fellowship with Humankind Charity on 1 June has enabled the Board to reassess its code of governance. The new Waythrough Board has chosen to adopt the Charity Commission's code of governance, given that a significant proportion of the business is charitable.

The Board considers compliance with the Code alongside the RSH's regulatory standards at least annually and presents the results to the Audit and Assurance Committee (now known within Waythrough as the Audit and Risk Committee). In September 2025, prior to the signing of these accounts, the Audit and Risk Committee reviewed the Company's compliance. It concluded that this had been demonstrated, approving the following statement of compliance:

"Waythrough has chosen the Charity Commission's Code of Governance as a means of self-assessing the adequacy of its governance framework. The Code is an integral part of the Waythrough Board's approach to governance and sets out the disciplines adopted by the Trustee directors to deliver best practice. Waythrough is compliant with all requirements of the Code but continually seeks to make improvements that have been identified and will be reviewed. In support of this drive for continuous improvement in delivering board governance, the Board has engaged internal auditors (BDO) to provide additional assurances regarding how our key risk areas are being managed. These are married alongside our internal quality assurances in place. Following the self-assessment process, the Board has confirmed that it meets the reporting requirements of the Charity Commission and the Regulator of Social Housing."

Following the merger of Richmond Fellowship with Humankind Charity on 1 June 2024, the new Waythrough Board adopted the Charity Commission Code of Governance and initiated a comprehensive review of board governance to assess how it should be conducted going forward as Waythrough. This review took place between September 2024 and June 2025.

Richmond Fellowship remained fully compliant with the NHF Code, as the overall size of the Board as of 31 March 2025 was 10.

As part of its annual self-evaluation process, the Board has concluded that the business case for paying non-executive Company Board members remains valid and beneficial to the charity. The current payment levels are reviewed annually and were last fully benchmarked in 2022 to ensure they remain at the right level for the responsibilities and expectations we place on our non-executives. The recommendation was to leave the rates of remuneration unchanged.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The Board confirms that, in fulfilling their duties as directors, they have taken all necessary steps to ensure they are aware of any relevant information for the audit and to ensure the auditor is also informed of this information. To the best of the directors' knowledge, there is no relevant audit information that has not been brought to the attention of the auditor.

Approved by the Board and signed on its behalf by



Carolyn Regan (Sep 15, 2025 18:50:52 GMT+1)

Carolyn Regan, Chair of the Board

10 September 2025

STATEMENT OF THE BOARD ON VALUE FOR MONEY (VFM)

Richmond Fellowship remained committed to delivering Value for Money (VFM) as a core element of its business strategy and governance. VFM objectives were embedded across all service areas and integrated into all aspects of service delivery. The organisation continually sought opportunities to improve efficiency, enhance service quality, and achieve better outcomes—actively engaging staff, service users, and partners in the process.

The Board provided leadership on VFM and ensured full alignment with the Regulator of Social Housing's latest Code of Practice.

Following the merger on 1 June 2024 and the resulting short reporting periods, it was not practical to compare Richmond Fellowship's annual performance against the prior year and the Regulator's VFM metrics. The Board has therefore opted to report VFM performance within the Waythrough Group's financial statements, reflecting the substantial transfer of activities on business combination.

Our VFM Aims:

- Integrate VFM in every aspect of our work
- Simplify processes and remove duplication
- Identify inefficiencies and implement improvements
- Apply recognised best practices and seek innovation
- Ensure staff understand their role in delivering VFM
- Promote VFM to service users, partners, and Boards
- Build strategic supplier relationships and pursue continuous improvement

How We Deliver VFM:

- Co-production: Leveraging local insights to redesign services more effectively.
- Governance: Internal and external benchmarking, strong financial scrutiny.
- Digital strategy: Streamlined delivery with tech-driven solutions.
- Purchasing synergies: savings from renewed contracts around Utilities & Insurance
- Broader Procurement savings from negotiated contracts around white goods, stationery, and office supplies
- Reduced senior management cost as the merger saw natural de-duplication in some areas
- Reducing non-value-added activities, such as making it easier to book. travel

STATEMENT OF THE BOARD ON INTERNAL CONTROLS ASSURANCE

The Board is responsible for controls assurance for the whole group and reviewing its effectiveness. The Directors recognise that such systems can provide only reasonable, not absolute, assurance against material misstatement or loss.

Board Members and Meetings

A comprehensive list of Board Members for the year can be found on page 1. The Board members met monthly as a Shadow Board prior to the merger, during 23/24 and up to the date of the merger on 1 June 2024. The majority of board governance meetings in 24/25 were held as hybrid (in-person and video conference), except for two annual Board Away Day Events, which were held in person. Board meetings are often preceded by a discussion on a topical area that impacts the business. These supplement the risk "deep dives" that occur at Away Day Events or as part of the Board Committee's scrutiny agenda.

During the year, we conducted a major skills review in conjunction with the development of priorities outlined in the Waythrough Group Strategy. This allowed us to assess the strength of governance, future Board needs, and desirable values, experiences, and knowledge in identifying new trustees as vacancies arise. A formal succession plan for trustees is in place, and the default term of office will be 2x three-year terms.

Board Members' remuneration, attendance and Partner Board/Committee Memberships in 2024/25 were:

Non-Executive	***Remuneration***	***Partner Board/Committee Memberships***	***PARTNER BOARD/ COMMITTEE KEY***
I Ayling	£1,333	AAC, BFC	AAP (Aquarius Board)
K Bakshi	£1,000	QPC	AAC (Audit & Assurance)
M Hopcroft	£833	AAC, WTC	QPC (Quality & Performance)
S Moore	£1,000	AAC, BFC	WTC (Working Together)
P Najsarek	£833	BFC	PeC (People)
D Oum	£1,000		
R Perkins	£1,000	PeC, WTC	
C Regan	£2,162	PeC,	
J Royle	£1,000	PeC, QPC	

Matters reserved for the Group Board

Until 31 May 2024, the Richmond Fellowship Group Board had delegated limited powers to its six committees: Audit and Assurance, Business and Finance, People, Quality and Performance, Working Together and Remuneration Committees. These committees have since been disbanded following the merger, and formal control has been given to the new Waythrough Committee governance structure. Since 1 June these now include; Audit and Risk, Finance and Investment, People and Culture, Quality and Performance and Remuneration Committees. It reserves certain responsibilities and decisions for itself, specifically:

- Management structure, organisation and essential governance
- Objects, values and corporate strategy
- Annual budget setting
- Key controls as specified in the standing orders and scheme of delegations

To support the work of the Waythrough Board, the Group developed a comprehensive Internal Integrated Governance Framework which meets quarterly to support the management of risk across the organisation but also to ensure that key areas of work have an appropriate level of scrutiny and focus by the Group Executive Directors.

Identification and evaluation of risks and control objectives

Board Directors, working with the Executive Director and the Directors of the Aquarius Board, have separately and collectively considered the major risks to which it is exposed. As part of this process, the Audit and Assurance Committee met during merger transition, giving a significant portion of its agenda to risk scrutiny

and challenge. The internal and external audit teams are an essential source of assurance in fulfilling this remit.

Managing the business

Until 1 June 2024, when all operations transferred to the newly formed Waythrough Group following the merger with Humankind, Richmond Fellowship monitored performance through a suite of key performance indicators (KPIs). These were designed to track progress against our strategic priorities, ensuring services delivered meaningful outcomes for the people we support and enabling timely intervention where needed.

Our data management systems provided the foundation for monitoring performance, and we continued progressing towards a digital dashboard to improve real-time reporting and decision-making.
To support effective service delivery, mandatory training modules were provided to all staff, ensuring consistent application of policies and procedures.
We also maintained a Quality Self-Assessment regime across local, regional, and Group levels and promoted key policies supporting safe and transparent practice, including Whistleblowing, Anti-Fraud, Anti-Money Laundering, Conflicts of Interest, and Gifts and Hospitality.
Non-Executive Board Members undertook regular service visits, enabling them to engage directly with staff and the people we support while gaining deeper insight into operational challenges and opportunities.

At the last reporting date, the Group Board reviewed the overall controls and assurances in place and was satisfied that the organisation remained compliant with legal and regulatory requirements, including those areas under the oversight of the Aquarius Board.

Collaboration with external partners and stakeholders was also a vital part of our assurance approach. We worked closely with commissioners, local safeguarding teams, the Care Quality Commission, fire safety authorities, and other independent advisers to ensure services remained safe, effective, and responsive. Their insights played an important role in driving continuous improvement and maintaining transparency in how we operated.

STATEMENT OF THE RESPONSIBILITIES OF THE BOARD IN RESPECT OF THE ACCOUNTS

The Group Board Directors are responsible for preparing the report of the Group Board, incorporating the strategic report and the accounts in accordance with applicable law, regulations and associated guidance and good practice.

Company and housing law requires the Board to prepare consolidated accounts for each financial year in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law) including FRS 102 “The Financial Reporting Standard applicable in the UK and the Republic of Ireland“. Under company and housing law, the Group Board members must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the surplus or deficit of the Group for that period.

In preparing these accounts, the Group Board directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

The Board directors are also responsible for keeping adequate accounting records that are sufficient to show and explain all transactions and disclose with reasonable accuracy at any time the financial position of the Group and ensure the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and have due regard to Charity Commission guidance. They are also responsible for safeguarding the Group's assets and for taking reasonable steps to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RICHMOND FELLOWSHIP

Opinion

We have audited the financial statements of Richmond Fellowship (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 for the group and the company and the Charities Act 2011 (for the Group); and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Emphasis of matter – not a going concern

We draw attention to note 2 of the financial statements, which explains that the financial statements have not been prepared on a going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in 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 Report of the Group Board has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Company Board.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Statement of the Responsibilities of the Company Board set out on page 15, the members of the Board (who are directors of the charitable company for the purposes of company law and the trustees for the purposes of charitable 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 members of the Board 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
We have been appointed as auditor under the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the charitable company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations, and the entity's policies and procedures regarding compliance. We also drew on our existing understanding of the Charitable Company's industry and regulation.

We understand that the charitable company complies with the framework through:

- Updating operating procedures, manuals, and internal controls as legal and regulatory requirements change;
- A programme of internal audit performed by an independent firm of internal auditors;
- A risk assessment framework and register that includes regular review and scrutiny by the Board of Directors;
- Regular safeguarding and health and safety reviews;
- An annual assessment of compliance with social housing regulations; and
- The Board of Directors' close oversight through regular Board meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the charitable company's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the charitable company:

- FRS102 and the requirements of the Companies Act 2006, in respect of the preparation and presentation of the financial statements;
- Safeguarding, including health and safety and Care Quality Commission regulations; and
- Charity law and regulation.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above;

- Making enquiries of management as to the risks of non-compliance and any instances thereof
- Reviewing internal audit reports and correspondence between regulators and the Charitable Company; and
- Reading minutes of meetings of those charged with governance

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries and incorrect recognition of revenue.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing a sample of manual journal entries, selected through applying specific risk assessments applied based on the Charitable Company's processes and controls surrounding annual journal entries;
- Reviewing and challenging estimates made by management; and
- Substantive work on revenue transactions.

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

Use of our report

This report is made solely to the 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.



Andrew Bond

Senior Statutory Auditor, for and on behalf of

S&W Audit
45 Gresham Street
Statutory Auditor
Chartered Accountants
London
EC2V 7BG

16 September 2025

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2025

	Notes	2025 £000	2024 £000
Turnover	3	7,617	44,478
Expenditure			
Recurring		(8,133)	(45,106)
Non-recurring	9	(146)	(636)
Total Operating expenditure	3	(8,279)	(45,742)
Deficit on property disposals		-	(64)
Movement in the value of investments Properties	15	-	587
Operating Deficit		(662)	(741)
Interest receivable and similar income	10	120	800
Interest & financing costs	11	(15)	(67)
Movement in the value of investments	18	-	263
(Deficit)/Surplus before tax		**(557)**	**255**
Taxation on surplus		-	-
Actuarial (loss)/gain in respect of pension scheme	8	-	(20)
Total comprehensive income for the year		**(557)**	**235**

The Statement of Comprehensive Income was approved and authorised for issue by the Group Board on 10 September 2025.

Carolyn Regan (Sep 15, 2025 18:50:52 GMT+1)

Carolyn Regan (Chair)
Chair

Susan Moore (Chair of Audit and Assurance Committee)
Director

STATEMENT OF FINANCIAL POSITION as at 31 March 2025

COMPANY NUMBER 0662712

	Note	2025	2024
		£000	£000
Fixed Assets			
Property, plant & equipment			
- Housing & other properties used for social provision	13	-	20,096
- Other property, plant and equipment	14	-	4,223
Investment Properties	15	-	2,000
Post-employment benefits	8	-	47
		-	26,366
Current assets			
Inventories	16	-	203
Debtors due within one Year	17	-	4,515
Investments	18	-	4,035
Cash at bank and in hand		-	14,559
		-	23,312
Creditors: amounts falling due in one year	19	-	(6,871)
Net current assets		**-**	**16,441**
Total assets less current liabilities		**-**	**42,807**
Creditors: amounts falling due over one year	20	-	(6,938)
Total assets less liabilities		**-**	**35,869**
Funds			
Restricted funds	24	-	2,516
Unrestricted funds			
- Unrestricted general funds	25	-	32,286
- Revaluation reserve	25	-	1,020
- Pension reserve	25	-	47
		-	**35,869**

The Statement of Comprehensive Income was approved and authorised for issue by the Group Board on 10 September 2025.

Carolyn Regan (Sep 15, 2025 18:50:52 GMT+1)

Carolyn Regan (Chair)
Chair

Susan Moore (Chair of Audit and Assurance Committee)
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2025

		Unrestricted				
	Restricted Funds	General Funds	Designated Funds	Revaluation Reserve	Pension Reserve	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2023	2,712	32,103	-	757	62	35,634
Surplus for the year	-	255				255
Other comprehensive income					(20)	(20)
Total comprehensive income	-	255			(20)	235
Transfers (note 23)	(196)	(72)	-	263	5	-
Balance at 31 March 2024	**2,516**	**32,286**	**-**	**1,020**	**47**	**35,869**
Deficit for the year		(557)				(557)
Other comprehensive charge					-	-
Total comprehensive income	-	(557)			-	(557)
Transfers on Merger (note 27)	(2,516)	(31,729)	-	(1,020)	(47)	(35,312)
Balance at 31 March 2025	**-**	**-**	**-**	**-**	**-**	**-**

NOTES TO THE ACCOUNTS for the year ended 31 March 2025

1. Legal status

Richmond Fellowship ("the company") is a private company limited by guarantee (number 662712) and is incorporated in England; the registered office address is 80 Holloway Road, London, N7 8JG. The company is a registered charity (number 200453) and is also registered as a private provider of social housing with the Regulator of Social Housing (number H2025).

Aquarius Action Projects ('Aquarius') was a wholly owned subsidiary of Richmond Fellowship until 31 May 2024, when it became a subsidiary of the newly merged entity, Waythrough. Accordingly, its accounts are excluded from this financial report. This report presents the single company accounts of Richmond Fellowship, which also became a subsidiary of Waythrough following the merger.

2. Accounting policies

Basis of preparation

The financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Housing SORP 2018 "Statement of Recommended Practice for Registered Social Housing Providers" and comply with The Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are also prepared in accordance with the Companies Act 2006 and the Housing and Regeneration Act 2008.

The Company is a public benefit entity as defined by FRS 102. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets in accordance with the Company's accounting policies.

Disclosure exemptions

The Company is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the exemption from presenting a statement of company cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements.

Going concern

The financial statements have been prepared on a basis other than that of going concern which the directors consider to be appropriate in the circumstances for the following reasons.

Richmond Fellowship merged with Humankind on 1 June 2024. The directors agreed to transfer all net assets to the merged entity, Waythrough, except for a small number of contracts that did not novate and were allowed to remain within the Company. The integration was scheduled to be completed within 12 months of the merger, and the newly formed Company is expected to continue trading for the foreseeable future.

As required by UK Accounting Standards, the directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply going concern basis. All assets and liabilities have been transferred to the newly formed Company at carrying amounts.

Key sources of estimation uncertainty and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements, estimates and assumptions have had the most significant effect in amounts recognised in the financial statements:

(a) Critical judgements

In preparing the financial statements, the following judgements which have, or could have, a material impact on the financial statements were made:

Identification of housing property components
Housing property depreciation is calculated on a component-by-component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Housing property impairments
An impairment review of the Company's properties is undertaken when an impairment indicator is believed to have been triggered. The 2023/24 review did not result in the requirement for any impairments.

Properties let to other service providers
Properties let to other service providers are classed as property, plant and equipment rather than as investment properties, as the properties are retained primarily to ensure the continued provision of services to beneficiaries, rather than for capital gain or income generation.

Cap on net pension scheme asset
The net defined pension scheme asset is recognised only to the extent of the net present value of the estimated future Company contributions to the scheme, as it is deemed to be unlikely that the scheme trustees would make refunds to the Company.

Investment Properties
The fair value of investment properties is determined by Market value approach.

(b) Key accounting estimates and assumptions

Estimation of revenue
Income from the provision of services is recognised as the services are provided. In most cases, the services are provided in accordance with the funding agreement, but in a minority of cases, the funder may contend that the services haven't been fully provided and retrospectively demand that a proportion of the invoiced income be refunded. Estimates are therefore necessary as to the extent to which invoiced income may be repayable.

Defined benefit pension scheme
The cost of defined benefit pension scheme plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount valuation rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and long-term nature of these plans, such estimates are subject to considerable uncertainty and the Company relies on the expert input of actuaries. Further details of the assumptions made are provided in Note 8.

Useful lives
Depreciation of assets is calculated based on the cost and the estimated useful lives of the assets. The expected useful lives for housing property components is estimated based on the expected replacement frequency used for asset management purposes.

Impairments of housing and other properties held social purposes
The cost of purchasing an equivalent property on the open market is estimated based on the sales prices for similar properties in or near the same location.

The rebuilding cost of structures and components is based on the current build costs obtained from market data (being primarily construction indices) applied to the relevant building size and type.

Rent arrears and other debtors
Provision is made for rent arrears where there is objective evidence concerning recoverability. This is an estimate based on past experience, the current level and age profile of the arrears / debtors, and the specific circumstances relating to a particular rent arrear or debt.

Investment Properties
Properties rented on the open market are valued based on the Market value approach subject to occupational agreements and normal market period of six to 12 months.

Carrying values

The carrying amount of the assets and liabilities affected by the above estimates are set out in the notes below.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents rental income receivable; fees from local authorities and other funders for the provision of services; grant income from the Government and other bodies; income from fundraising activities and amounts receivable for goods sold. All such amounts are stated excluding VAT where this has been applied.

Income is recognised as follows:

- *Rental Income* – on a time apportioned basis

- *Service Income* – as the services are provided
- *Donations* – when the Company has entitlement, the donation can be measured reliably, and receipt is probable
- *Revenue (performance) grants* – in the same period as the expenditure to which they relate
- *Government capital grants* - recognised using the accruals model and initially deferred and then credited to revenue on a straight-line basis over the expected life of the asset which they have funded
- *Other capital grants* – recognised using the performance model, with recognition being when the Company has entitlement, the grant can be measured reliably, and receipt is probable

Donated assets and services which would otherwise have been purchased are included at the estimated expenditure purpose, the donations may become repayable in which case the liability is recognised when the related asset is disposed of or when it ceases to be used for the approved purpose.

Arrears

Debtors included the total rent and service charge arrears which is comprised of both current and former tenant arrears. Former tenant arrears are fully provided for in the financial statements at the point the tenant leaves the property. Current tenant arrears are provided for at specific rates according to the age of the debt.

Employee benefits

Richmond Fellowship (RF) provided a range of benefits to employees, including paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits
Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan
RF operated a defined contribution plan, whereby the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the statement of financial position.

The assets of the plan are held separately from the Company in independently administered funds.

State plan
RF was an admitted body to the NHS Pension Scheme, a multi-employer defined benefit pension scheme which has transferred to the parent company. The Company has no on-going liability to this scheme other than to pay contributions as they fall due and this plan is accounted for as a defined contribution plan.

Defined benefit pension plan
Richmond Fellowship operated a defined benefit plan for certain employees which was transferred to the parent company on merger date.

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.

The asset recognised in the statement of financial position in respect of the defined benefit plan is the lower of the fair value of the plan assets at the reporting date less the present value of the defined benefit obligation at the reporting date and the net present value of the estimated future contributions to the scheme.

The defined benefit obligation is calculated using the projected unit credit method and independent actuaries are engaged 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 ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Re-measurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in operating expenditure in the statement of comprehensive income as employee costs comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the statement of comprehensive income as 'Finance expense'.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company chose to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Trade and other debtors and creditors, including rent arrears and rent paid in advance, are classified as basic financial instruments and measured at initial recognition at transaction price. Such debtors and creditors are subsequently measured at amortised cost using the effective interest rate method, save that amounts expected to be settled within 12 months are not discounted. An impairment provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents and long-term bank deposits are classified as basic financial instruments and are initially recognised at their transaction price and subsequently at fair value.

Interest bearing bank and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the counterparty, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Financial assets are derecognised when either the contractual rights to the cash flows from the asset are settled or expire, or when substantially all the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities are derecognised when the liability is extinguished, that is when contractual obligation is discharged, cancelled or expires.

Managed properties

Income and expenditure relating to housing properties managed by the Company are recognised in the statement of comprehensive income where the Company is exposed to a significant proportion of the risks and rewards associated with the properties.

Housing and other properties used for social purposes

Housing and other properties used for social purposes are properties which are held to provide residential accommodation, nursing homes or day care centres. These properties are stated at cost less accumulated depreciation and any recognised impairment loss. The cost of the properties is the purchase price together with those costs that are directly attributable to acquisition and construction up to the date of completion.

Properties in the course of construction are not depreciated.

Depreciation is charged on major components so as to write down the cost of the components to their estimated residual value on a straight-line basis over their estimated useful lives as follows:

Freehold Land	indefinite	Structure	100 years
Pitched Roof	60 years	Flat Roof	20 years
Windows	40 years	Boilers	15 years
Bathrooms	20 years	Kitchens	15 years
Wiring	30 years	Fire Systems	10 years

Subsequent expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in incremental future benefits is capitalised and the carrying amount of any replaced component or part component is derecognised. Any other expenditure incurred in respect of repairs is charged to operating expenses in the statement of comprehensive income.

Other tangible fixed assets

Other fixed assets are stated at cost less depreciation. Depreciation is charged on a straight-line basis over the expected economic lives of the assets at the following annual rates:

Office premises	1%
Motor vehicles	25%
Plant & machinery	25%
Furniture	25%
Computer, IT & other office equipment	20%
Computer software	10%

Inventories

Inventories are stated at cost less provision for impairment losses.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indicator that the asset (or asset's cash generating unit) may be impaired. If there is such an indicator the recoverable amount of the asset (or asset's cash generating unit; CGU) is compared to the carrying amount of the asset (or asset's cash generating unit).

Assets not used for social purposes

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use (VIU) is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the operating expenses unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Assets used for social purposes, including housing and other properties

For the purposes of impairment assessments, housing and other properties used for social purposes are assessed on a property by property basis.

At each statement of financial position date, the properties are assessed to determine if there are indicators that the property may be impaired in value; if there are such indicators of impairment, then a comparison of the property's carrying value to its recoverable amount is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as operating expenses in the statement of comprehensive income; the carrying value is reduced appropriately. The recoverable amount of a property is the higher of its fair value less costs to sell and its value in use. Value in use for properties which are able to be used in their current condition and which are fulfilling the social purpose for which they were acquired is based on the depreciated replacement cost of the asset. For other schemes, value in use is defined as the net present value of the future cash flows before interest generated from the scheme.

When an impairment loss is subsequently reversed, the carrying amount of the property is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in operating expenses in the statement of comprehensive income.

Government grants (social housing grants - SHG)

Government grants are recognised when there is reasonable assurance that the Company will receive the grant and be able to comply with the terms of the grant. Grants are classified as either relating to assets or as relating to revenue.

Grants relating to assets are accounted for using the accrual model and are recognised as revenue in the statement of comprehensive income over the period of the estimated life of the relevant asset to which it relates as follows:

- Grants relating to whole properties – over the useful life of the structure
- Grants relating to components – over the useful life of the relevant components

Grants relating to assets are derecognised when the asset to which they relate is derecognised.

Grants which relate to revenue are accounted for using the performance model and are recognised in the statement of comprehensive income as the associated costs to which the grant relates are recognised.

Any grants which are received but are not recognised are disclosed as liabilities.

Grant relating to a property which is sold is derecognised and disclosed as a liability where repayment or recycling is required. Where SHG is recycled, it is credited to a fund which appears as a creditor until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year

Current asset investments

Investments are stated at fair value and any changes in the fair value are recognised in the statement of comprehensive income.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to operating expenses in the statement of comprehensive income on a straight-line basis over the life of the lease.

Incentives received to enter into an operating lease are credited to operating expenses, to reduce the lease expense, on a straight-line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits and other highly liquid investments which have a maturity of three months or less.

In certain cases, the Company and its employees assist individuals to manage their money in their bank accounts. These bank accounts do not relate to the Company and are therefore not dealt with in these financial statements.

Provisions

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

Value Added Tax

The Company is registered for VAT and the balances shown in these accounts exclude VAT where applicable. Irrecoverable input VAT is expensed as incurred and is analysed in line with the underlying expense to which it relates.

Taxation

The Company is a registered charities and is able to obtain relief from corporation tax, provided that they operate within certain charitable exemptions, including applying all income to charitable purposes. Since these conditions have been fulfilled, these entities do not recognise provisions for taxation.

Provision is made for direct and deferred tax in respect of non-charitable subsidiaries; currently, the activities of non-charitable subsidiaries are immaterial.

3. Particulars of turnover, operating expenditure and operating surplus / (deficit)

	2025			2024		
	Turnover	Operating expenditure	Operating Surplus (Deficit)	Turnover	Operating expenditure	Operating Surplus (Deficit)
	£000	£000	£000	£000	£000	£000
Social housing activities						
Social housing lettings *(note 4)*	1,203	1,275	(72)	7,827	7,700	127
Other social housing activities						
Supporting people contract income	2,249	2,657	(408)	14,454	15,660	(1,206)
	3,452	**3,932**	**(480)**	**22,281**	**23,360**	**(1,079)**
Activities other than social housing activities						
Registered care homes	96	123	(27)	713	680	33
Crisis Houses	807	974	(167)	4,769	5,031	(262)
Community-based projects	3,087	2,882	205	15,402	14,518	884
Leased to third party providers	42	36	6	148	122	26
Market Rent	24	6	19	147	-	147
Other	109	180	(71)	1,018	1,395	(377)
Non-recurring expenditure (note 9)	-	146	(146)	-	636	(636)
	4,165	**4,347**	**(182)**	**22,197**	**22,382**	**(185)**
TOTAL	**7,617**	**8,279**	**(662)**	**44,478**	**45,742**	**(1,264)**
Surplus on disposals of fixed assets			**-**			**(64)**
Fair Value: Movement on Investment Properties			**-**			**587**
Operating surplus / (deficit)			**(662)**			**(741)**

4. Particulars of income and expenditure from social housing lettings

Supported housing	2025 Total £000	2024 Total £000
Rent receivable net of service charges	462	2,748
Service charge income	727	4,992
Net rental income	**1,189**	**7,740**
Government grants taken to income		
Amortised government grants*	14	87
Turnover from social housing lettings	**1,203**	**7,827**
Operating expenditure		
Housing management	192	1,388
Service charge cost	617	3,291
Routine maintenance	53	326
Planned maintenance	28	42
Major repairs expenditure	-	121
Bad debts	-	(22)
Property lease charges	324	2,208
Depreciation of housing properties and associated fixtures, fittings and equipment	61	346
Operating expenditure on social housing lettings	**1,275**	**7,700**
Surplus on social housing lettings (as per note 3)	**(72)**	**127**
Void losses (deducted from rent above)	**167**	**1,065**

During the period we operated a few residential crisis services which are not considered to be social housing (and the premises were not provided with the support of social housing grant) and as such are excluded from all the data contained within this note.

Income and expenditure reflect all social housing provided by Richmond Fellowship, irrespective of the intensity of support given as part of the service provision.

5. Leases

The Group let certain of their housing properties to social housing tenants and to other social landlords.

Social housing tenancies
The social housing tenancy agreements are governed by housing law and rents levels are governed by the Government through powers derived from the Housing and Regeneration Act 2008. Housing law sets out various safeguards for tenants, the effect of which is to make gaining possession of the properties in the event of a default by tenant an onerous process requiring Court action by the company. In addition, where a tenant is in default through the failure to pay rent due, the Court, rather than terminating the tenancy, will usually order that the tenant clears the arrears over a number of years by making small weekly payments.

The tenants have no statutory rights or rights under the tenancy agreements to purchase the properties.

Properties let to other social housing landlords
Richmond Fellowship has a few properties which were let under non-cancellable operating leases to other social landlords for the provision of social housing. The benefits all future rents from such properties were transferred to the merged entity (Waythrough) on the 1 June 2024.

	2025	2024
	£000	£000
Rents due within one year	-	79
Rents due between one and five years	-	108
Rents due after five years	-	-
Total	**-**	**187**

6. Key management emoluments

The emoluments of the directors / key management were as follows:

The emoluments of the directors / key management were as follows:	2025	2024
	£000	£000
Emoluments (including pension contributions and benefits in kind)		
Executive staff	67	427
Non-executive directors	10	63
	77	**490**
Employers' national insurance	8	67
	85	557
Emoluments paid to the highest paid Director (Excluding pension contribution, including benefits in kind)	**22**	**109**
Pension contributions for the highest paid director	**1**	**5**

The Group Chief Executive is an ordinary member of the Group's defined contribution pension scheme. No special terms apply.

	2025	2024
	£000	£000
Directors' emoluments, as defined by the Companies Act 2006	**76**	**488**

Four executive directors were members of the defined contribution pension scheme during the year.

7. Employee information*

Average number of employees employed:

	2025	2024
Full time equivalents		
	No.	**No.**
Office Staff	-	114
Service Staff	-	875
Total staff	-	989

The full-time equivalent number of staff has been derived by reference to estimated hours worked.

	2025	2024
Actual employees		
	No.	**No.**
Office staff	-	110
Service staff	-	823
Total staff	-	933

	2025	2024
	£000	**£000**
Wages and salaries	4,729	25,882
Redundancy costs	8	151
Social security costs	438	2,309
Other pension costs	190	1,016
Total	**5,364**	**29,358**

During the year, 19 redundancy payments were made (2024 - 22). Wages and salaries include £4k ex-gratia payment were made (2024 - £18k to 1 employees). Non-contractual payments are made on an exceptional basis only and are individually approved by the Group Leadership Team (or the Remuneration Committee of the Board should they apply to Senior Management).

Senior Pay Banding

In the year, the following number of staff within the business, expressed in full-time equivalents, were paid remuneration (including pensions) of over £60,000:

	2025	2024
	£000	**£000**
Staff remuneration bandings	**No.**	**No.**
£130,001 to £140,000	-	-
£100,001 to £110,000	-	2
£90,001 to £100,000	-	-
£80,001 to £90,000	-	2
£70,001 to £80,000	-	3
£60,001 to £70,000	-	3
Total staff	**-**	**10**

* Staff numbers and senior pay bandings differ significantly from the prior year, reflecting the shorter reporting period and the transfer of staff following the merger..

Pension costs are analysed as follows:

	2025	2024
	£000	£000
Defined contribution schemes, including contributions to state schemes, accounted for as defined contribution pension schemes	175	1,009
Defined benefit schemes – current service costs	-	63
	175	**1,072**

8. Post-employment benefits

Richmond Fellowship participated two defined benefit pensions that have were transferred to Waythrough as part of the Merger on 1 June 2024.

NHS Pension Scheme

The Group is an admitted body to the NHS Pension Scheme. The Group's contribution as May 2025 was £1k (2024: £17k) and the total number of employees participating in the scheme at the end of the year was 2 (2024: 7). The Group has no on-going employer's liability in respect of this scheme other than to fulfil annual contribution obligations for members whilst they are employed by the Group. This scheme is accounted for as a defined contribution scheme as the scheme actuary is unable to provide any details of the notional assets and liabilities attributable to the Group. More details regarding the scheme are available from the NHS Pensions website.

2Care Pension & Life Assurance Scheme

RF operates a defined benefit scheme, the 2Care Pension & Life Assurance Scheme. The scheme's assets are held in a separate trustee-administered fund. The fund was not revalued at the merger date, and the results presented below are based on the most recently published valuation as at March 2024. Contributions to the scheme are assessed with the advice of a qualified actuary based on valuations using the projected unit method. Future employer contributions to the scheme have been agreed as being 26.95% (2024 – 26.95%) of pensionable salaries plus life assurance costs. Future employee contributions have been agreed as 8.45% (2024 – 8.45%) of pensionable salaries. The fund is now closed to new entrants and as a closed scheme it is likely that the future contribution rates will increase.

A comprehensive actuarial valuation of the fund was carried out as at 31 March 2024 by the Scheme's appointed actuary. Adjustments to the valuation at that date have been made based on the following assumptions:

	2025	2024
	% per annum	% per annum
Inflation	-	3.20
Salary increases	-	3.10
Rate of discount	-	5.10
Pension in payment increases - pre 97 accrual	-	3.60
Pension in payment increases - post 97 accrual	-	3.00
Revaluation rate for deferred pensioners – RPI	-	3.10
Revaluation rate for deferred pensioners – CPI	-	2.70
Expected return on assets	-	4.80
Mortality assumptions:	**Years**	**Years**
Longevity at age 65 for current pensioners		
Men	-	20.9
Women	-	22.9
Longevity at age 65 for future pensioners		
Men	-	22.3
Women	-	24.4

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Total
	£000	£000	£000
At April 2023	**6,502**	**(5,375)**	**1,127**
Benefits paid	(70)	70	-
Employer contributions	13	-	13
Employees' contributions	4	(4)	-
Current service cost	-	(11)	(11)
Interest income / (expense)	-	(257)	(257)
Actuarial losses:			
Return on plan assets excluding interest income	311	-	311
Actuarial gains / (losses)	130	426	556
At 31 March 2024	**6,890**	**(5,151)**	**1,739**
Effect of asset ceiling	-	-	(1,692)
Net Asset 31 March 2024	-	-	47
Transfer on Merger 1 June 2024	-	-	(47)
At 31 March 2025	-	-	-

The unrecognised surplus as at 31 March 2025 was £-, (2024: £1,692k).

Amounts recognised in income and expenditure are as follows:

	2025	2024
	£000	£000
Current service costs	-	11
Financial income	-	(3)
Total	**-**	**8**

Amounts recognised in other comprehensive income are as follows:

	2025	2024
	£000	£000
Return on plan assets excluding interest	-	130
Experience gains and losses arising on plan liabilities	-	(17)
Effects of changes in assumptions affecting plan liabilities	-	443
Effects of changes in the amounts of the surplus that is not recoverable	-	(576)
Total	**-**	**(20)**

Plan assets are invested as follows:

	2025	2024
	£000	£000
Equities	-	-
Diversified Growth Funds	-	1,967
Liability Driven Investment	-	4,820
Cash	-	103
Total	**-**	**6,890**

9. Non- Recurring items

	2025	2024
	£000	£000
Merger cost	146	636
Total	**146**	**636**

10. Interest receivable and financial income

	2025	2024
	£000	£000
Interest receivable on deposits	120	650
Listed investment income	-	147
Net return on post-employment benefits	-	3
Total	**120**	**800**

11. Interest and financing costs

	2025	2024
	£000	£000
Recycled capital grant fund interest	**15**	**67**

12. Surplus for the year

	2025	2024
	£000	£000
Depreciation and impairment of tangible owned fixed assets	140	788
Auditor's remuneration: (Excluding VAT)	15	86
Operating Leases		
Receivables from non-cancellable operating leases	17	79
Payments under non-cancellable operating leases	23	328
Rents payable under property licenses	417	2,256
Surplus / (deficit) on disposal of fixed assets		
Net proceeds from the sale of fixed assets	-	611
Less: net book value of assets sold	-	(315)
Less: capital grant recycled	-	(360)
Total (deficit) /surplus on disposal	**-**	**(64)**

13. Housing and other properties used for social purposes

	Social Housing Properties	Crisis Houses	Day / Garden Centres		Total
	£000	£000	£000		£000
Cost:					
At 1 April 2024	**20,619**	**2,875**	**951**		**24,445**
Additions: existing properties	-	25	-	-	25
Transferred on Merger	**(20,619)**	**(2,900)**	**(951)**		**(24,470)**
At 31 March 2025	-	-	-		-
Depreciation:					
At 1 April 2024	**4,068**	**210**	**71**		**4,349**
Charge for the year	49	6	2		57
Disposals During the year	-	-	-		-
Transferred on Merger	**(4,117)**	**(216)**	**(73)**		**(4,406)**
At 31 March 2025	-	-	-		-
Net Book Value					
At 31 March 2025	-	-	-		-
At 31 March 2024	**16,551**	**2,665**	**880**		**20,096**

Housing and other properties used for social purposes at cost comprise:	2025	2024
Net book value	**£000**	**£000**
Freehold	-	16,578
Long Leasehold	-	664
	-	**17,242**

14. Other tangible fixed assets

	Freehold Office Premises	Leasehold Office Premises	Motor Vehicles	Information Systems	Fixtures, Fittings & Equipment	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2024	**2,111**	**492**	**16**	**4,967**	**892**	**8,478**
Additions in year	-	-	-	54	9	63
Disposals during the year	-	-	-	(7)	-	(7)
Transferred on Merger	**(2,111)**	**(492)**	**(16)**	**(5,014)**	**(901)**	**(8,534)**
At 31 March 2025	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation						
At 1 April 2024	**392**	**76**	**14**	**2,969**	**804**	**4,255**
Charge for the year	3	1	-	72	8	84
Disposals	-	-	-	-2	-	-2
Transferred on Merger	**(395)**	**(77)**	**(14)**	**(3,039)**	**(812)**	**(4,337)**
At 31 March 2025	**-**	**-**	**-**	**-**	**-**	**-**
Net Book Value						
At 31 March 2025	**-**	**-**	**-**	**-**	**-**	**-**
At 31 March 2024	**1,719**	**416**	**2**	**1,998**	**88**	**4,223**

15. Investment properties: non-social housing properties held for Letting

	2025	2024
	£000	£000
At 1 April	2,000	1,183
Additions/Disposals	-	230
Increase/(Decrease) in value)	-	587
Transferred on Merger	(2,000)	-
At 31 March 2025	**-**	**2,000**

Investment properties were last valued as at 31 March 2024. The Group's and company investment properties have been valued by Earl & Co Chartered Surveyors, professional external valuers. The full valuation of properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors as follows:

In valuing investment properties, the Market value approach was adopted subject to occupational agreements and normal market period of six to 12 months.

Investment properties were initially measured at cost, including any transaction costs. Investment properties are subsequently measured and included in the financial statements at fair value at each yearend. For the purpose of these financial statements, in order to avoid double counting, the fair value reported is reduced by carrying amount of any debtor balances resulting from the spreading of lease incentives. Any surplus or deficit on revaluation is recognised initially in the statement of comprehensive income. All revaluation movements are transferred to a non-distributable reserve called the Revaluation reserve unless a deficit below original cost, or its reversal, on an individual property is expected to be permanent in which case it remains in the profit and loss account as an impairment.

16. Inventories

	2025	2024
	£000	£000
Consumables	-	203
Balance 31 March 2025	-	203

17. Trade and other receivables

	2025	2024
	£000	£000
Trade debtors	-	3,944
Less: Provision for bad debts	-	(1,043)
	-	**2,901**
Prepayments & accrued income	-	1,604
Amounts due from subsidiary undertaking	-	-
Other Debtors	-	10
Balance 31 March 2025	-	**4,515**

18. Current asset investments

	2025	2024
	£000	£000
Investments listed on recognised stock exchange	-	4,035
Balance 31 March 2025	-	**4,035**

Investment listed on a recognised stock exchange comprise Schroders' Charity Multi-asset fund and CCLA-COIF Charities Ethical Investment Fund (Income). were last valued on 31st March 2024 and transferred Waythrough on 1 June 2024.

19. Creditors: Amounts falling due within one year

	2025	2024
	£000	£000
Trade creditors	-	1,543
Other creditors	-	253
Accruals & deferred income	-	3,523
PAYE, taxes & social security costs	-	770
Social housing grants (Note 22)	-	72
Other government grants (Note 22)	-	14
Recycled Capital Grants Fund (RCGF) (Note 21)	-	696
Balance 31 March 2025	-	**6,871**

20. Creditors: Amounts falling due after more than one year

	2025	2024
	£000	£000
Recycled Capital Grants Fund (Note 21)	-	1,116
Social housing grants (Note 22)	-	5,769
Other government grants (Note 22)	-	53
Balance 31 March 2025	**-**	**6,938**

21. Recycled capital grant fund

	2025 RSH	2024 RSH	2025 GLA	2024 GLA	2025 Total	2024 Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2024	1,059	872	753	-	1,812	872
Recycled on property disposal	-	360	-	720	-	1,080
Repayments	-	-	-	-	-	-
Drawdown	-	(207)	-	-	-	(207)
Interest	8	34	7	33	15	67
Balance at 31 March 2025	**1,067**	**1,059**	**753**	**753**	**1,827**	**1,812**
Amounts repayable within one year	696	696	-	-	696	696
Amounts due over 1 year	371	363	760	753	1,131	1,116
Total	**1,067**	**1,059**	**760**	**753**	**1,827**	**1,812**
Transferred on Merger (1 June 2024)	**(1,067)**		**(760)**		**(1,827)**	
Balance 31 March 2025	**-**	**1,059**	**-**	**753**	**-**	**1,812**

22. Government grants

The government grants received to enable the Group to acquire properties for social purposes. Should the properties to which the grants relate cease to be used for social purposes the grants may be repayable in full. The total grants received by the Group in respect of owned property are as follows:

	2025	2024
	£000	£000
Grants credited to Income & Expenditure	-	2,274
Deferred grants (Notes 19 & 20) – Social Housing Grants	-	5,841
Deferred grants (Notes 19 & 20) – Other Government Grants	-	67
Total	-	8,182

23. Transfers between reserves

	2025	2024
	£000	£000
Movement in restricted funds		
Net income / (expenditure of restricted funds for the year)	-	(18)
Restricted reserves formerly held by CAN* and Croftlands Trust	-	(178)
Movement in restricted funds	-	(196)
Movement in revaluation reserve		
Net revaluation gain/(loss)	-	263
Movement in pension scheme reserve		
Net movement in recognised pension scheme asset	-	5
Total transfer from / (to) general fund	-	72

CAN is the County of Northampton Council on Addiction*

There were no movements between reserves during the year. On 1 June 2024, all restricted reserves were transferred to Waythrough as part of the merger.

24. Restricted reserves

	2025	2024
	£000	£000
Mental illness services to be provided in Cumbria (formerly held by Croftlands Trust)	-	1,683
Alcohol, drugs and gambling Services	-	
- Other (Formally Known as CAN)	-	392
Legacies & Donations	-	396
Sundry	-	16
BIG Lottery	-	29
Transferred on Merger (1 June 2024)	-	-
Total	-	2,516

There were no movements in restricted reserves during the year ended 31 May 2024. On 1 June 2024, all restricted reserves were transferred to Waythrough as part of the merger.

25. Other reserves

The general unrestricted fund represents the accumulated surpluses generated by the Company since inception, to the extent that they are not represented by other reserves.

The revaluation reserve represents unrealised gains arising on revaluations of investments.

The pension reserve represents the recognised surplus on the assets of the Group's defined benefit pension scheme.

All reserves were transferred to the Merged entity on 1 June 2024

26. Other commitments

Richmond Fellowship held housing accommodation, office premises and equipment on non-cancellable operating leases. All expected future minimum lease payments under non-cancellable operating leases were transferred to the merged entity (Waythrough) on the 1 June 2024.

	2025	2024
	£000	£000
Within one year	-	251
Two to five years	-	86
More than five years	-	303
	-	640

In addition to the above commitments, the Richmond Fellowship also occupied various properties under licence. Although the licences can be cancelled with minimal notice by either party, it is expected that the majority of licences will continue and were transferred to Waythrough on 1 June 2024.

27. Transfer of Engagements

On 1 June 2024, Richmond Fellowship merged with Humankind to form a new entity, Waythrough, transferring all assets, liabilities, and operations under a transfer of engagements in accordance with the Co-operative and Community Benefit Societies Act 2014,

The net assets transferred as at 1 June 2024 were as follows:

	£000
Housing & other properties uses for social provision	20,064
Other property, plant and equipment	4,197
Investment in Properties	2,000
Post employment benefits	47
Stock	193
Debtors due within one Year	5,006
Investments	4,035
Cash at bank and in hand	12,345
Total assets Transferred	**47,887**
Creditors: amounts falling due within one year	(5,637)
Creditors: amounts falling due over one year	(6,938)
Net Assets Transferred on Merger	**35,312**
Funds	
Restricted funds	2,516
- Unrestricted general funds	31,729
- Revaluation reserve	1,020
- Pension reserve	47
Total Funds Transferred on Merger	**35,312**

28. Accommodation in management

The number of the different types of accommodation managed by the Richmond Fellowship were as follows:

	2025		2024	
	Owned No.	Managed No.	Owned No.	Managed No.
Social Housing				
Supported Housing	-	-	226	316
Residential Care Homes	-	-	66	27
Total Units in Management	-	-	**292**	**343**
Crisis Homes	-	-	21	-
Market Rent	-	-	8	-
Total Social and Non-Social units Managed	-	-	321	343

29. Financial instruments

Financial instruments as March 2025 were as follows:

	2025	2024
	£000	**£000**
Financial assets held at fair value	-	4,035

Included in the Statement of Income and Expenditure are the following amounts:

	2025	2024
	£000	**£000**
Interest income on financial assets held at amortised cost	120	647
Interest expense on financial liabilities held at cost	(15)	(67)
Income from assets held at fair value through profit and loss	-	797
Change in value of assets held at fair value through income and expenditure	-	850

30. Subsidiary undertaking

Richmond Fellowship had one subsidiary undertaking, Aquarius Action Projects ("Aquarius"), which is a registered charity (number 1014305) and a registered company (number 02427100) having its registered office at 236 Bristol Road, Birmingham, B5 7SL. Aquarius works with individuals, families, carers and professionals around issues of alcohol misuse, drug misuse, gambling and other behavioural problems.

Aquarius transferred to Humankind Charity (registered charity 515755, company number 01820492) as part of the merger on 1 June 2024 and Richmond Fellowship became wholly controlled subsidiary of the new Waythrough group.

31. Related party transactions

During the year, the following transactions took place between Richmond Fellowship and its subsidiary companies:

Overhead recharges from the charity to:	**2025**	**2024**
	£000	**£000**
To Aquarius Action Projects	57	325
From Aquarius Action Projects	-	(53)
Total	**57**	**272**

All transactions are charged at cost. Such costs are either direct or are apportioned based on estimated staff time. The total overheads subject to apportionment were £866k (2024: £6,197k).
All intercompany balances transferred to Waythrough on 1 June 2024.

THE RICHMOND FELLOWSHIP

England & Wales - Charity number 200453

Accounts

RICHMOND FELLOWSHIP
MAKING RECOVERY REALITY

Annual Report and Financial Statements 2023-2024

RECOVERY FOCUS
an expert group of charities
inspiring recovery together

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RICHMOND FELLOWSHIP GROUP BOARD MEMBERS AND ADVISERS

BOARD MEMBERS

Non-Executive Directors

Helen Edwards	Chair (*resigned 30 Sep 2023*)
Carolyn Regan	Vice Chair (*Chair from 1 October 2023*)
Ian Ayling	
Kapil Bakshi	
Maureen Hopcroft	
Susan Moore	
Paul Najsarek	
Danielle Oum	*(appointed 30 May 2023)*
Rachel Perkins	
Jonathan Royle	

Executive Directors

Derek Caren	Group Chief Executive (*resigned Jan. 2024*)
June Riley	Interim Group Chief Executive (*appointed Jan. 2024, resigned June 2024*)
June Riley	Group Director of Finance and IT (*resigned June 2024*)
Robert Templeton	RF Director, Operations, Quality and Housing (*resigned Feb 2024*)
Andrew Whitley	Company Secretary

SOLICITORS

Bates Wells & Braithwaite LLP (trading as Bates Wells)
10 Queen Street Place
London EC4R 1BE

BANKERS

Lloyds Bank Plc
4th Floor
25 Gresham Street
London EC2V 7HN

INDEPENDENT AUDITOR

CLA Evelyn Partners Limited
Statutory Auditors
Chartered Accountants
45 Gresham Street
London EC2V 7BG

REGISTERED OFFICE

80 Holloway Road
London N7 8JG

COMPANY REGISTRATION

00662712

CHARITY NUMBER

200453

REGISTERED PROVIDER OF SOCIAL HOUSING

H2025

WEBSITES

www.recoveryfocus.org.uk

www.richmondfellowship.org.uk

Introduction from the Chair of Recovery Focus

This is my first introduction as the new Chair of Recovery Focus, and it has been an exciting period during which Richmond Fellowship celebrated its 65th year. I would first like to thank Helen Edwards, the outgoing Chair, for her sound leadership and for leaving Recovery Focus in a strong position.

We are incredibly proud of what we have achieved over the past year, and this is a testament to our committed staff, volunteers and peers who work passionately to provide support to people around their mental health, drugs and alcohol, gambling, and domestic abuse. Our charter sets out our commitment to putting people at the heart of everything we do.

We are in the first year of our three-year strategic plan, "Inspiring Individual Recovery." At the heart of this strategy are the people we support. It outlines our goals and plans for the future and sets out our vision for providing even more effective and meaningful support designed to ensure that everyone can achieve a life they value. We started this strategy with the knowledge that there was more for us to do to help transform lives and communities and to work towards a society where recovery is possible for everyone.

In this light, one of our strategic priorities is 'REACH', with a goal to strengthen our presence and partnerships in the places we operate. This priority enabled us to look for a strategic partner with a view to potentially merging. We looked for an organisation that shared the same values as us and who was also looking to contribute more to the people we support. This led us to Humankind Charity. This year has been a journey to get us to a successful, legal merger on 1st June 2024, creating the largest merger of two service delivery charities. Together, we recognise that people do not fit into neat boxes and that real life is messier than that. By coming together, we can do so much more, supporting people affected by multiple disadvantages in a profound way. That's why we merged. We have seen how people have faced closed doors and silos, and we believe we can now improve how our society supports the people we care about. Between us, we have over 100 years of experience in mental health, drug, alcohol, and gambling addiction, domestic abuse and other key specialisms. A reflection from someone who has faced multiple disadvantage in their life said, 'We should be looking at whole people situations, not divvying people up into this group or that group. That's where the wheels fall off." We aim to bring a new offering, challenge the status quo, and open closed doors to support more people on their individual recovery journey.

There is still a lot of work to do, and in October, we will be launching our new organisation, along with a new name, identity and values following intensive engagement with the people we support, staff and volunteers. We are very excited about this and aim to reach even more people in the future.

During this transition, one of our main priorities was to ensure that the intense work involved in bringing the merger to this point did not adversely affect our business, the services we provide, or the people we support. Despite this, we achieved a superb result of 98% from people we support feeling that all staff treat them with dignity and respect. 98% satisfaction was also recorded for people we support feeling safe and secure in our services, and satisfaction rates reached 91% (96% in 2023; and 89% in 2022) of people feeling supported by our staff to achieve their goals.

The dedication and resilience of our staff, volunteers, and partners have been inspiring. We have delivered for many people this year, and we are well-positioned to build on this momentum into the future. I want to thank all our staff, the Board of Trustees, key stakeholders, partners, commissioners and others for their commitment and ongoing support.

I also want to place on record my thanks to Derek Caren, previous Chief Executive who retired after many years of service and commitment. I am grateful to June Riley, for stepping into the role of Chief Executive in the interim period until merger and leading the work of Recovery Focus.



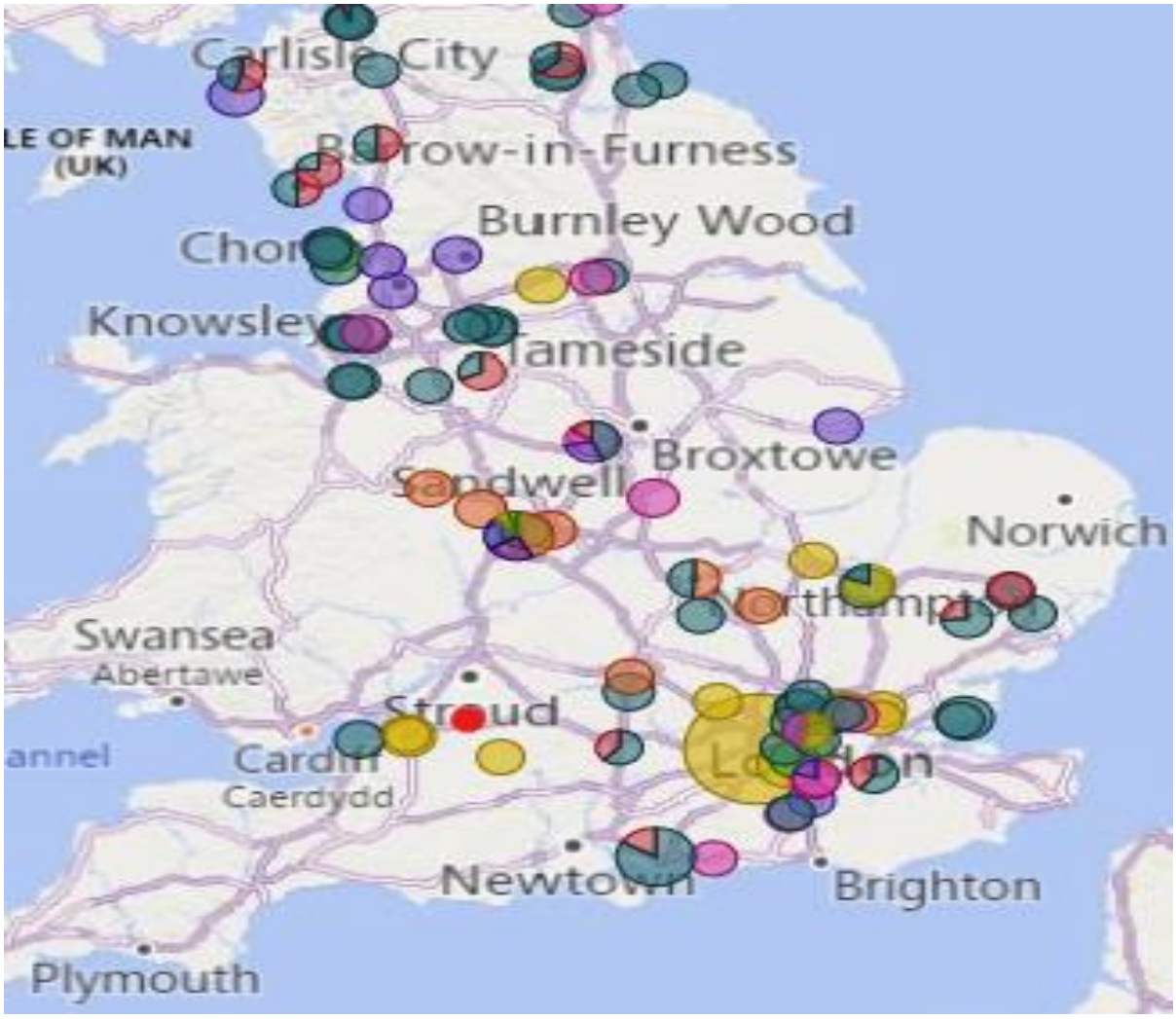
Carolyn Regan, *Chair, Recovery Focus*

REPORT OF THE BOARD

KEY HIGHLIGHTS

Across England we supported 23,927 people. This map shows more clearly the areas in which we operate and the range of different services we provide in each area.

We provided residential services from 321 owned properties, 343 managed homes, 66 beds in registered care homes and 21 beds in short-term crisis centres.



Our turnover was £50.6m (2023: £46.3m), Total Comprehensive Income £0.84m (2023: £0.37m), our net assets £43.9m (2023; £43.0m), and our unrestricted reserves £35.1m (2023: £34.7m)

At 31 March 2024, we were delivering 151 separately commissioned contracts for 115 separate commissioners (mainly NHS and local authority)

Our 2024 satisfaction rating was 91% with the number of people we support.

Our Group continues to comprise Richmond Fellowship (RF) and Aquarius Action Projects (Aquarius) (together known as, “Recovery Focus”). RF and Aquarius are both registered charities and RF is also a registered provider of social housing.

As a Group, our aim is to bring together expertise in the fields of mental health, addictions and domestic abuse. People accessing our services often have complex and multiple needs. One of the key advantages of being a group is our ability to work together to create joint solutions for such complexities. We routinely share lessons learned to ensure that the people we support across all services can have a tailored, co-produced personal recovery plan that can address all of their needs. Our strategic priorities focus on delivering the best possible outcomes for the people we support.

Going forward, the group completed its merger with Humankind Charity which took effect on June 1, 2024. The merger is expected to combine the strengths of both organisations towards our strategic objective of delivering better outcomes for the people we support.

OUR ACTIVITIES AND MODELS TO SUPPORT RECOVERY

As a Group we take pride in the expertise we can offer in providing specialist support services to individuals and families living with the effects of ill mental health, drug and alcohol use, gambling, and domestic abuse. We know that one size cannot fit all, and we pride ourselves on working with the people we support to create and support the achievement of a personalised plan that works for them. Whilst each service is unique, we specialise in a range of models to support recovery which sit within an operating sector.

The principal activities of our operating sectors’ structure are as follows:

- Mental Health Support Crisis Services – our crisis services offer intensive, short-term support to help people manage a mental health crisis. Our services include residential crisis support and community-based safe havens.
- Mental Health Community Based Services – our community-based services support the recovery and resilience of people with mental health needs, delaying or reducing the need to access intensive services.
- Mental Health Employment Services - employment services focus on getting people into mainstream employment at a pace that is right for them and/or enabling people to retain their current job by facilitating a support package with their employer. Our services do not exclude people on the basis of diagnosis or supposed ‘work readiness’; we support anyone who wants to gain or stay in work.
- Mental Health Floating Support Services - our floating support services work with people experiencing issues with their mental health in their own homes.
- Mental Health Residential Recovery Services- our services provide accommodation and support to people with mental health conditions who may be at risk of repeat homelessness or would otherwise be accessing intensive NHS mental health, services.
- Social Enterprise - we run a range of social enterprises that not only provide an income stream but also employment opportunities, training, and development for the people we support.
- Domestic Abuse Services - our domestic abuse services work with survivors and perpetrators in a range of services including peer support, domestic abuse assessments, and perpetrator programmes.
- Drug and Alcohol Services - our services provide support to those impacted by drink, drug and gambling addictions. Our services are based on the idea that behaviour is learned and maintained in the context of each person’s whole life - the family, employment, housing, biology, cultural backgrounds and other personal social challenges.
- Gambling Services - we provide support, information, and advice to anyone affected by gambling, providing specialist services tailored to young people, adults and their family or friends.

Our Group Strategy, Corporate Plan and Business Models

We completed the first year of our 2023-26 Group Strategy 'Inspiring Recovery Together', which sets out our vision for providing even more effective and meaningful support designed to ensure that everyone can achieve a life they value. As a group of charities, we recognise we must do all we can to adapt and change to accommodate the changes driven by the external environment and ensure we can provide the best services for the people we support.

We aim to enhance our services and build strong partnerships, using evidence-based practices and pioneering new approaches to recovery. We will do this holistically and person-centred and continue empowering people with lived experience to play an active role in shaping our work and supporting others on their own path to recovery. Through this strategy, we will continue to focus on improving the lives of those we support, putting their needs, aspirations and hopes for the future at the centre of what we do.

Our strategic priorities	What success looks like
Quality Services: We'll deliver and develop quality services everyone can be proud of.	• People get the support they need when they need it. • People are safe. • People achieve their goals and move on in a planned way. • Everyone has a home, the opportunity to work and friends they can rely on. • People get the same support worker throughout the time they are supported, if that is what they choose. • Staff will be equipped with the skills, knowledge, and expertise to deliver quality services.
Working Together: We'll put people at the heart of everything we do.	• Working Together Strategic Plan, Charter Mark and Tenant's Charter in place to deliver key milestones. • Health inequalities in service delivery are addressed. • Communities of practice deliver measurable improvements in each operating sector. • Mechanisms in place to support people with lived experience to be recruited, retained and achieve progress. • Sustained positive feedback on the satisfaction of people we support.
Reach: We'll strengthen our presence and partnerships in the places we operate.	• More people will be reached in the places we operate. • The strategic partnerships we develop will add value and be effective. • Our operating models will meet local needs, demonstrating best practice. • Our services will be embedded within local health and social care systems. • We'll deliver long term solutions to local needs. • People will know who Recovery Focus is, what we do and what we stand for.
Sustainability: We'll ensure the sustainability of the Recovery Focus Group.	• Stabilised staffing and improved recruitment fill rates across the organisation. • An established system of fair, affordable pay forming part of a strategy to making working at RF a viable, respected, and sustainable career choice. • Refreshed management structures at affordable levels prompting a culture of people focused cooperation around a 'One Team Approach'. • Improved feedback from our Investors in People assessments.
Impact: We'll ensure our services provide personal and social impact.	• Our data capture mechanisms will be used consistently across services to clearly demonstrate the effectiveness of our interventions. • We'll report on the impact of each of our operating sectors. • Consistent positive feedback from commissioner surveys • We'll be demonstrably integral to provider and strategic networks. • We'll be known as market leaders in our sectors.

REVIEW OF THE YEAR AND KEY PERFORMANCE INDICATORS

Financial performance in the year

The group reported a surplus of £0.84m for the full year, compared to £0.37m in 2023. This represents an increased return on income of 1.7% in 2024, up from 0.8% in the previous year.

The group's turnover increased by 9.4%, reaching £50.64m in 2024, up from £46.30m in 2023. This growth reflects a successful contract mobilisation program, which brought in new contracts. We saw substantial growth in our crisis housing and community-based services, with 19% and 10% income increases, adding £3.0m to the turnover. This year, we introduced market rented income as a means of maximising alternative income streams whilst providing much needed and sought-after homes in London.

Voids on social housing remain a challenge, rising by 2.2% to 12% compared to the previous year despite management action to bring this loss down; making sure we keep people safe by ensuring referrals match the type of service being provided contributed to this. Rental income from housing lettings and service charges increased by 7% to £7.7m, which is in line with sector increases and higher service charge costs.

Our operating costs increased at a higher rate than our income, resulting in core operating loss before disposals and investment property fair movement of £0.90m (compared to a £0.14m loss in 2023). This year, we also introduced the Real Living Wage to our lowest-paid staff and gave all staff a one-off (non-consolidated) well-being payment.

We continue to invest in our properties, substantially modernising and making our homes safe and comfortable whilst complying with fire regulations. We invested over £1.40m on developments, replacing components and delivering critical safety works. This includes development works on two Aquarius properties that will provide homes for young people who need settled accommodation in the community. The development works contributed to an increased group net asset portfolio of £43.89m (2023: £43.05m).

In continuation of our technological improvement drive, we continued to invest in information and communications technology infrastructure as well as cyber security.

We sold three properties as they became vacant at the end of their contracts, yielding a loss on disposal of £0.64m (2023: surplus £0.68m). The loss was mainly due to one property that had to be derecognised at book value to enable its release to the “charge owner.”

To realise our strategic objective of growing through business combinations, we invested a non-recurring cost of c£0.6m in the merger with Humankind Charity, which is due to commence on June 1, 2024.

The surplus for the year was positively impacted by an increase of £0.59m in the revaluation of investment properties reclassified for market rental and the fair value movement of our investments, The strategic placement of our cash deposits also saw boosted interest and dividends on treasury deposits of c£1.04m.

Richmond Fellowship is the sole employer of the 2Care Pension and Life Assurance Scheme, and the net value of the pension scheme reserve decreased marginally to £0.05m. The future liabilities of the Scheme are not reflected in the movement, and the Scheme itself is in surplus and remains strong.

The Group’s cash balance increased from £19.17m to £19.39m, which comfortably meets our obligations and provides a strong position to support a long-term sustainable future. The Group’s reserves remain strong at £43.89m (2023; £43.05m).

The table that follows shows key financial indicators for the past five years.

FINANCIAL REVIEW AND FIVE-YEAR SUMMARY

Financial highlights in £'000	2024	2023	2022	2021	2020
Statement of comprehensive income					
Rental income and service charges	7,827	7,323	8,200	8,713	8,577
Non-rental income	42,815	38,973	39,361	36,849	37,685
Total revenue	**50,642**	**46,296**	**47,561**	**45,562**	**46,262**
Operating cost	(51,543)	(46,439)	(45,774)	(44,910)	(47,089)
Core operating surplus / (deficit)	**(901)**	**(143)**	**1,787**	**652**	**(827)**
Fair Value Movement on Investment Properties	587	-	-	-	-
Surplus on disposals	(64)	683	151	433	-
Operating surplus / (deficit)	**(378)**	**540**	**1,938**	**1,085**	**(827)**
Net interest & investment income/(loss)	1,240	258	352	786	(79)
Actuarial (Loss)/Gain on pensions obligations	(20)	(425)	(2)	109	(291)
Surplus / (deficit) for the year	**842**	**373**	**2,288**	**1,980**	**(1,197)**

Group Cash & Cash Equivalents	2024	2023	2022	2021	2020
Opening Cash balance	19,166	17,167	13,946	11,184	9,316
Net Cash from operating activities	227	1,999	3,221	2,762	1,868
Closing Cash balance	**19,393**	**19,166**	**17,167**	**13,946**	**11,184**
Statement of Financial Position	2024	2023	2022	2021	2020
Non-current assets	29,515	29,059	30,267	30,304	30,222
Current assets	29,520	29,284	27,759	24,330	21,214
Current liabilities	(8,207)	(7,457)	(7,516)	(6,283)	(4,609)
Long-term creditors	(6,938)	(7,838)	(7,712)	(7,830)	(8,286)
Net assets	**43,890**	**43,048**	**42,798**	**40,521**	**38,541**
Restricted funds	8,774	8,362	7,095	7,931	7,789
Unrestricted reserve	35,069	34,624	35,219	32,052	30,304
Pension reserve	47	62	484	538	448
Total reserves	**43,890**	**43,048**	**42,798**	**40,521**	**38,541**
Financial Statistics	2024	2023	2022	2021	2020
Surplus for the year as % of turnover	1.7%	0.8%	4.8%	4.3%	(2.6%)
Operating margin	(0.7%)	1.2%	4.1%	2.4%	(1.8%)
Operating cost as % of revenue	101.8%	100.3%	96.2%	98.6%	101.8%
Operating surplus (before overheads)**	5,776	6,694	8,701	7,447	6,400
Contribution Margin (before overheads)	11.4%	14.5%	18.3%	16.3%	13.8%
Capital Investments	1,832	597	1,424	2,014	1,300
Capital investment (as % of opening cash balance)	9.6%	3.5%	10.2%	18.0%	14.0%
Cash & investments as % of Net Assets	53.4%	53.3%	49.5%	43.8%	37.2%

***This represents turnover less operating expenditure before overheads*

People we support to achieve their recovery outcomes.

In 2023-24, 23,927 people were supported in their personal recovery by our services (2023/24; 22,905), each with a personalised care plan. The full breakdown of activity within the Group over the past year is as follows:

	2023/24 Number	2022/23 Number
Social housing provision:		
In supported housing	718	929
In registered care homes	132	141
Non-social housing accommodation:		
Crisis provision	1,862	1,574
Non-accommodation services:		
Crisis Haven	3,099	2,027
Employment related	4,620	2,435
Floating/community	3,106	5,648
Domestic abuse	2,077	1,808
Substance use/gambling	8,313	8,343
TOTAL CLIENT ACTIVITY FOR THE YEAR	**23,927**	**22,905**

We monitor a range of indicators which include:

Activity indicators	2024	2023	2022
Number of CQC registered services not meeting all core standards	0	0	0
Referral to treatment time of >3 weeks for treatment services*	2.3%	1.7%	1.4%
Satisfaction indicators			
Clients surveyed who felt involved in planning their individual support	97%	92%	92%
% of clients with positive or stabilised scores in their recovery journey outcomes	92%	90%	91%
% of client exits planned – Richmond Fellowship services	89%	87%	92%
% of client exits planned – Aquarius services	76%	68%	72%
% of clients satisfied with the quality of their service	91%	96%	89%
% of residential clients (Richmond Fellowship only) satisfied with the quality of their accommodation	97%	74%	77%

These key indicators have shown remarkable consistency at a time when the environment remained uncertain. This is a tribute to our front-line staff who work so hard to support the people we support to achieve their recovery goals. Our indicators benchmark well against national metrics and our drive for continuous improvement will continue to underpin core satisfaction with our services on a more granular level to ensure we are delivering for each model of recovery.

Satisfaction

In December 2023, we conducted our Annual Satisfaction Survey with the individuals we support across our services. The response was good and showed improvement in client involvement and perception of impact but a drop in overall satisfaction by 5% compared to previous years. We will look hard at the reasons under-pinning this and act. We will continue to move forward at a pace to conduct surveys on an ongoing basis. This will allow on-going and current feedback to allow swifter resolutions and learning. We have also introduced across all operating models, exit surveys which on a service level give useful feedback to support local continuous improvement measures.

The overall satisfaction stood at a merit-worthy 91% (2023; 96%) with most respondents, 96% (2023; 94%), affirming that the support they received had improved their lives. The number of respondents actively involved in planning their personal support, our central ethos, was 97% (2023; 92%). Service-level scores

are shared with local management, forming the basis for quality improvement plans in the upcoming year, known as Quality Self-Assessments, which build on feedback to target specific areas for local improvement.

Simultaneously, we continue to develop our dashboard framework at the local level to allow Service Managers and Regional Operational Leads to access real-time information across all our systems within the Group, enabling us to compare and contrast results across different operating sectors within our business. This allows close tracking of improvement measures being implemented. This will support our aim for people we support to have a more consistent quality of service moving away from an average-focused approach across multiple operating sectors which are not always comparable. Empowering local management through this self-service approach will drive continuous improvement from the ground up. Furthermore, it will provide the Leadership Team and the Board with detailed information to better support teams in making adjustments that benefit services in terms of quality and financial data.

PRINCIPAL BUSINESS RISKS AND UNCERTAINTIES

The Group Leadership Team (GLT) is responsible for risk review and oversight of the register quarterly ahead of presenting this to the Board's Audit and Assurance Committee, providing essential Board oversight and engagement. The risk review process comprises the following key elements:

- **Group risk register**: This register identifies risks and their interrelationships while aligning closely with our strategic priorities. It emphasises the direction of risk and outlines actions to address controllable risks. It also adapts our frameworks to manage the effects of less controllable risks.
- **Operational and functional risk registers**: These registers support the corporate register and allow reporting of emerging risks. We actively manage risks on a day-to-day basis by fostering a strong risk culture.
- **Mapping our controls and assurances**: We clearly establish the dependency between our first-, second-, and third-line controls, utilising them effectively in our risk management approach.

Our internal auditors play a crucial role in supporting these risk reviews. They collaborate with us to provide consistent and thorough assurance across the design of and compliance with our controls. They also support us in reviewing the effectiveness and integrity of our risk management practices.

Like most in the sector, our principal resource risk over the last year has been related to the high levels of staff turnover and ensuring that services always have appropriate staffing levels, whilst maximising continuity of care for the people we support, as a priority. Recruitment in the sector has eased a little towards the end of the year but as a sector, turnover remains a significant on-going challenge, albeit one we are adapted to managing. We have worked hard to ensure we are maximising funds available for the provision of frontline services and our strategy of paying market median for the sector is our focus. The People Committee, for the Group and Aquarius Boards, maintains a close oversight of this risk.

Another principal risk relates to a significant number of commissioners applying pressure to deliver enhanced services at lower costs. We work with commissioners wherever possible to support their aims but we are, on occasions, having to strategically withdraw from business that we can no longer make viable in the longer-term. Given the wider economic position, we do not see this risk reducing in the near future, but we will continue to look at new innovative ways of delivering services to ensure we stay ahead of the market.

A further risk is the ever increasing situation relating to cyber security. We use external accreditation frameworks to form the basis of ensuring we are doing everything possible to manage this ever present threat. We also have robust training for all staff to improve vigilance. Some of the issues relating to cyber security link to the ever evolving threat of fraud.

COMPLIANCE WITH OUR STATUTORY DUTIES UNDER SECTION 172 OF THE COMPANIES ACT

The Directors of Richmond Fellowship always adhere to acting in a way that they consider, in good faith, will be most likely to promote the success of the company for the benefit of the people we support in the long term (as well as the immediate needs of our current beneficiaries). To do this, we pay regard to:

(a) the likely impact and consequences of all our immediate and long-term decisions, with social and financial returns clearly spelt out alongside the wider impact assessments.

(b) the interests of all of our stakeholders by working closely with and listening to issues flagged by the people we support, our staff (including volunteers), our commissioners, regulators, and all of our suppliers and customers. We take seriously all feedback we receive to help us deliver on this commitment.

(c) clearly understanding the impact of our services and their delivery whilst continuing to provide value-for-money services on our local and wider communities and the environment generally; and,

(d) We conduct our business to a high standard, reflected in how our staff approach their work and our expectations of our partners and providers to ensure this ethos permeates every aspect of our delivery.

Examples of how we have conducted our operations in this way over the past year are referenced throughout this report, together with relevant, targeted improvement plans.

DIRECTORS REPORT

FINANCIAL RISK MANAGEMENT

We proactively seek to minimise our exposure to risk wherever possible. A potentially significant risk is the credit risk from bank balances. We also face market risk from listed investments and liquidity risk from our trade debtors. Trade debt remained challenging due to the effects of the increased cost of living crisis. We have had to find new ways of working, but with close management scrutiny and clear accountability, we have managed to keep a firm grasp on this area. Much of our trade debt by value is due from the government in one form or another, so ultimately, the risk of debtors defaulting is not considered to be significant.

The Group has a treasury policy that underpins how our liquid resources are managed. The policy includes liquidity limits, investment security, and approved counterparty ratings. It is regularly monitored by the Board and reviewed in consultation with our treasury advisers. Investments are split between the Cazenove Charity multi-asset fund and CCLA-COIF's ethical fund (relatively low-risk funds), both portfolios engaging only with opportunities which can demonstrate high ethical standards. Investment managers present regularly to our Business and Finance Committee to ensure that the evidence of these standards is robust.

We remain free of loan financing, so covenants, gearing, and securitisation are not risks for us.

We continue to pursue a strategic use of our reserves as rates of return for cash balances are now improving. The returns achievable under this strategy are a more beneficial use of reserves.

POST BALANCE SHEET

In December 2023, Richmond Fellowship and Humankind Charity announced their agreement to merge, effective June 1, 2024 through an asset transfer agreement. The new charity, which will be the parent organisation for Aquarius, will be fully launched on October 1, 2024, with a new name, vision, and strategy.

Arising from the merger, RF passed a special resolution to adopt new Articles on 1 June 2024, dissolving the unitary board, resulting in June Riley no longer being a board director.

OUR PEOPLE

Our People Strategic Plan plays a vital role in the implementation of our Group Strategy, and we have made significant progress during the year toward achieving the key objectives outlined in that plan.

Our dedicated staff members are integral to our operations and the long-term success of our organisation. We are actively working with our staff to develop a new and more equitable pay and reward system, aiming to align with market medians in our pay strategy.

We are committed to promoting consistency across our services, granting greater autonomy to local management, and enhancing the involvement of peer support workers and volunteers within our services. Their valuable contributions and our efforts to recruit individuals with lived experience enable our staff to provide even better support to individuals on their recovery journeys. In collaboration with commissioners, we are expanding our service offerings across all recovery models using this approach.

Richmond Fellowship and Aquarius have active Staff Councils that meet quarterly to address key issues pertaining to our operations and their impact on staff productivity. Reports from these meetings undergo review by the People Committee of the Group Board and the Aquarius Board.

Throughout the year, we have focused on specific indicators of progress. The table below provides a snapshot of the position as of 31st March for each respective year.

Activity indicators (annualised)	2024	2023	2022
% of days lost arising from sickness*	5.0%	5.5%	6.0%
% of voluntary turnover in the past 12 months	29%	34%	37%
% of workforce from BAME backgrounds compared to client %	+1.4%	+1.0%	+3.3%
Client satisfaction indicators			
Client feels staff treat them with dignity and respect	98%	95%	96%
Client feels keyworker listens to client's views and acts on them	98%	94%	94%
Client feels supported by staff to achieve plan goals	98%	94%	93%

*Prior year sickness percentages have been restated.

The following staff data were taken from surveys conducted in December 2023 and representative of the group's workforce as at 31 March 2024:

- 70% female (71.5% in Richmond Fellowship and 54.45% in Aquarius). As at 1 June 2023, 20% of the Group Leadership Team and 50% of the Richmond Fellowship Board are female.
- 23.4% of the Group's workforce self-classify their ethnicity other than white (23% in Richmond Fellowship and 26% in Aquarius) – the equivalent data for the Group Leadership Team and Board is 20% and 31% respectively.
- The disability status of 64.7% of the group is unknown. 12% of staff consider they have a disability (12% in Richmond Fellowship and 8% in Aquarius);
- 11% of the Group's workforce is under 25 (11% in Richmond Fellowship and 10% in Aquarius); 46% of the Group's workforce is aged 25-44 (45% in Richmond Fellowship and 48% in Aquarius); 45% of the Group's workforce is over 45 (44% in Richmond Fellowship and 42% in Aquarius).
- 11% of staff consider they have lived experience of the issues that our services currently support (ranging across mental health, substance use, gambling and domestic abuse). This breaks down to 11% in Richmond Fellowship and 12% in Aquarius.

We are continuously working with our cross-functional project group to develop and review our people action plans with the aim of enhancing Equalities, Diversity, and Inclusion across the organisation. Our primary objective is to ensure that our organisation is truly representative of the individuals we support and the communities in which we provide services. To achieve this, we are actively working on refining our Impact Assessment process. The goal is to ensure that individuals from all backgrounds have equal opportunities for well-being and the attainment of recovery goals, regardless of their personal characteristics.

As of March 31, 2024, our services have been supported by a dedicated group of 150 volunteers (143 in 2023) throughout the organisation, who have given us a total of 18,291 hours of their time. Out of these, 31 volunteers are associated with Aquarius, while Richmond Fellowship benefited from the support of 119 volunteers. Our overarching goal is to expand our volunteer network further, as they play a crucial role in assisting our staff and improving the quality of life for those we serve.

Since October 2023, we have been supported by various corporate / external organisations who have given us 435 extra hours of support.

We are committed to recognising and leveraging the untapped potential that volunteers bring to our service delivery. By continuing to harness their skills and dedication, we can enhance our ability to make positive changes in the lives of those we support.

DIVERSITY, EQUALITIES and SOCIAL RESPONSIBILITY

We are committed to social inclusion, which is a vital part of our aim to reduce the stigma faced by the people we support. It is important to us that our organisation reflects and celebrates the diversity of the communities we serve, and our commitment is a golden thread through our organisational culture, as well as our key strategies, policies and processes. Our workforce is a strong reflection of the diversity of the people we support, and we measure this closely to ensure the balance.

In the year, both Richmond Fellowship and Aquarius continued to work on the action plans arising from the Investors in People reaccreditations in 2021-22.

We believe that inclusion and social responsibility are dynamic goals that require constant monitoring, clear leadership, and strong training and awareness programmes. Senior leadership have looked during the year

at more closely defining our cultural identity, and we are currently in the process of re-evaluating our business plans across the organisation to ensure that our values and the areas of significant cultural importance to us are front and centre of the work every team is engaged in.

Our training programmes, which underpin our ethos but also deliver safe and effective services on the frontline, are delivered through a variety of routes via our main Workday system so we can track individual development and ensure our people have the skills and knowledge to deliver their roles. Our training and awareness programmes extend to board members, staff, peer support workers and volunteers, and other delivery partners without whom we cannot effectively support those people using our services.

Through social enterprise, we can directly engage with communities where our services are located. The social return on these services remains high, and we are committed to helping these services retain sustainability in the long term. Our award-winning Old Moat garden centre in Surrey supports a significant number of people, as does the Aquarius Evolve service, which delivers coffee shops and conference spaces.

The physical and emotional well-being of the people we support and our workforce remains a firm commitment. We are supporting the establishment of special interest groups across the workforce, covering well-being, lived experience, LGBTQ+, ethnic minorities and disability to support us in our drive to ensure we can champion recovery for people we support, regardless of their background or personal characteristics.

ENVIRONMENT

We are committed to enhancing our environmental awareness and minimising our business's ecological footprint. We prioritise sustainable practices that will positively impact our environment in the present and future generations.

Since 2012, Aquarius has proudly maintained ISO 14001 certification, demonstrating our adherence to the Environmental Management Standard. In the upcoming year, we are excited to update our Estates Plan across the Group, which will seamlessly integrate our environmental goals into our compliance and investment frameworks for renovating our premises infrastructure.

To gauge our energy consumption and identify areas for improvement, we conducted an extensive analysis of 12 months' worth of consumption data for most of our premises. This data allowed us to extrapolate consumption profiles across our entire portfolio. Based on these calculations for the financial year 2023-24, our estimated total consumption stands at 6.7 million kWh, with 5.2 million kWh attributed to fossil fuels. This translates to approximately 0.95million kg CO_2 emissions from natural gas usage. Our electricity emission is zero kg CO_2 and 100% certified renewable by EDF. These estimations were derived using the relevant kWh to CO_2 conversion rates for 2023.

To actively address our energy usage and unlock potential savings, we have collaborated with expert advisors to identify sites with substantial energy consumption. We can significantly reduce our energy footprint by targeting initiatives such as transitioning our lighting systems to LED and introducing automated energy efficiency features, including heating controls and boiler upgrades. As part of the planned Property Plan review, we will strategically prioritise investments (where possible) to maximise our impact in this area.

To further reduce our environmental impact, we recognise the importance of monitoring water consumption and waste more consistently. Consequently, we are actively working towards implementing routine monitoring processes to align with our environmental objectives. Furthermore, we remain dedicated to sourcing sustainable products and services throughout our supply chain. We will explore additional procurement avenues to enhance our sustainability efforts in the upcoming year.

The Group is steadfast in its commitment to environmental stewardship. By continuously improving our practices and adopting environmentally friendly solutions, we strive to lead by example and make a positive difference in the world around us.

FUNDRAISING

As a Group we do not currently engage in unsolicited direct fund-raising – either to specific supporters or the general public. Occasionally, of their own volition, individuals who have been affected by services provided by the Group engage in a sponsored activity and donate their proceeds to a service or partner within the Group. When approached in advance, we support such gestures by providing charity-branded materials. However, we do not actively monitor individuals who independently raise funds for the Group.

The Group does not participate in any voluntary regulation schemes for fund-raising. It does not use commercial participators or professional fundraisers, pursues no organisation-wide fund-raising programmes, and has received no complaints regarding fund-raising in the year.

LEGAL STRUCTURE AND GOVERNANCE

The legal structure of the Group throughout the year has remained as Richmond Fellowship acting as parent of a single, wholly controlled charitable subsidiary, Aquarius Action Projects (known as Aquarius).

Richmond Fellowship's objects as they appear in the Articles are:

- *to provide a home and community life for the Fellowship's Beneficiaries;*
- *to provide care, assistance and treatment to the Fellowship's Beneficiaries;*
- *to advance the education of the public in all aspects of the treatment and care of the Fellowship's Beneficiaries; and*
- *to advance other exclusively charitable purposes*

For 2023-34 the Group Board has been a unitary board comprising up to five executive directors and up to ten non-executive directors. For any vote, the number of non-executives present must exceed executives. During the year the Group Board agreed that the Board will no longer be a unitary board in the longer-term. Subsequent to the end of the year, upon merger with Humankind Chairty on 1 June 2024, the Articles were changed to exclude executive directors.

New Group Board directors are recruited in accordance with specific provisions in the Articles and are taken through a tailored induction on joining. This induction process includes service visits (which non-executives do on a rolling basis). Group Board members are, on an ongoing basis, provided with both general and tailored training support identified from regular appraisal and review discussions.

The Group has standing orders and a schedule of delegations in place to underpin the Articles. A Procedure Agreement is in place between parent and subsidiary which was renewed as a Framework Agreement shortly after the end of the year. This sets out the respective duties, delegations and responsibilities of the Group and Partner (Subsidiary) Boards in the governance of the subsidiary.

We continue to review and update our policy, practice and learning (both internal and in the wider sector) in relation to our service delivery and duty of care obligations. Our policies are mostly written for the Group with local related procedures to deliver these policies in different settings, according to the model to support recovery they are delivering.

REGULATION AND COMPLIANCE

The Group complies with the requirements of the Regulator of Social Housing (RSH), the Charity Commission, Charities Acts, and Companies Acts by seeking consent, filing returns, and publishing accounts as required. Compliance updates are sent to each meeting of the Audit and Assurance Committee of the Board. A small number of our services are registered with and subject to inspection by the Care Quality Commission.

Statement on public benefit

The purpose of the Group is set out in the charitable objects above. Prospective users of services across the Group are usually referred to the provider organisation by a psychiatrist, general practitioner, or other health care professional. Daycare and other non-residential services are provided free of charge at the point of delivery. Rent and any other charges for housing, residential care and nursing homes are usually covered by a range of housing and other benefits. The Group Board has given due regard to the Charity Commission's guidance on providing public benefit in its decision-making and considers that all Group activities provide public benefit.

Statement of Accountability

The Group Board accepts the obligation to account for its actions in an open manner to people we support, our regulators, commissioners, and other stakeholders, including the wider public. The Group Board also accepts the obligation to ensure that Group companies deliver the standards of probity required by law, by their regulators and appropriate to their position in the community. The Group's objective is to attain a substantial level of corporate social responsibility aligned with Environmental, Social, and Governance (ESG) directives and financial climate disclosure guidelines. However, this pursuit remains subject to its primary obligation of fulfilling its charitable objectives and utilising its charitable resources for that intended purpose.

In addition to prioritising the people we support, the Group Board is committed to enhancing its identity by bringing together like-minded expert partners. As part of the merger, the group will rebrand over the coming year to reflect its strategic goals and enhance the profiles of both the newly formed Group and individual partners.

Statement of compliance with the RSH's Governance and Viability Standard and the NHF Code of Governance

The Governance and Financial Viability Standards of the Regulator of Social Housing (RSH), effective at 31 March 2024, requires compliance with an "appropriate code of governance, giving reasons for the choice and explaining areas of non-compliance". RF has chosen the National Housing Federation (NHF) Code of Governance. The NHF Code of Governance, in turn, requires compliance with the NHF Code of Conduct.

The Board considers the regulatory standards and matters covered by the Code through the ongoing work of the Audit and Assurance Committee. In July 2024, the Committee reviewed the Group's compliance and concluded that this had been demonstrated, approving the following statement of compliance:

''Richmond Fellowship is a National Housing Federation (NHF) member and endorses the NHF Code. The Code is an integral part of RF's agreement for services with its non-executive directors. RF is compliant with (or taking steps to achieve compliance) with all requirements of the Code that are relevant to it as a small, specialist registered provider of social housing and registered charity. The RF Group has rigorous governance arrangements which are audited regularly by our engaged firm of internal auditors and meets the reporting requirements of the Regulator of Social Housing and the Charity Commission.''

The merger of Richmond Fellowship with Humankind Charity is expected to result in an assessment of our governance to improve overall. The new board of the merged company is currently assessing which Code of Governance it should adopt but, in the interim, has committed to the highest standards possible as set out in both the Charity Commission and the NHF Code. We will additionally look at the succession strategy for the new board with a view to examining how we can improve across all areas of the Environmental, Social and Governance (ESG) agenda to ensure that we are keeping pace with the expectations of our stakeholders as well as statute and regulatory guidance.

In relation to specific non-compliance with the NHF Code, Richmond Fellowship is now fully compliant with the NHF Code as the overall size of the Board at 31 March 2024 was 10. Reaching this point has been a cornerstone of our board succession strategy to bring a diversity of voice and fresh perspectives alongside experienced non-executives, to make more effective decisions and improve scrutiny.

Two new Group Board appointments were made in 2023/24: Carolyn Regan joined in April 2023 as Vice Chair and Chair-Elect, and Danielle Oum (joined 30 May 2023 as RF Group Board and Chair of the Aquarius Board). The Board has a clear approach to succession planning, and our induction of new non-executives continues to evolve to ensure that new directors have the best chance possible to contribute strongly from the date of their appointment.

As part of its annual self-evaluation process, the Board has concluded that the business case for paying non-executive Group Board members remains valid and beneficial to the charity. The current payment levels are reviewed annually, and they were last fully benchmarked in 2022 to ensure they remain at the right level for the responsibility and expectations we make of our non-executives. The recommendation was to leave the rates of remuneration unchanged.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The Board confirms that, in fulfilling their duties as directors, they have taken all the necessary steps in order to make themselves aware of any information relevant to the audit and to establish that the auditor is made aware of that information. So far as the directors are aware, there is no relevant audit information which has not been brought to the attention of the auditor.

Approved by the Board and signed on its behalf by

C.A.Regan

C.A.Regan (Aug 28, 2024 13:45 GMT+1)

Carolyn Regan, Chair of the Board

28 August 2024

STATEMENT OF THE GROUP BOARD ON VALUE FOR MONEY (VFM)

The Value for Money (VFM) strategy is driven by the Board and ingrained into all aspects of our operations to align with the latest code of practice on value for money set by the Regulator of Social Housing. As a registered provider, we proactively publish our performance against a specific set of key indicators, as demonstrated below:

			Benchmarking (based on 2023 Global Accounts)						
Sector Scorecard	RF 2024	RF 2023	A	B	C	D	E	F	2023 Ranking
> Business Health									
Operating Margin (Overall)	(2.8%)	(2.5%)	2.7%	6.9%	1.7%	(2.1%)	10.5%	(2.5%)	6th
Operating margin (social housing lettings)	1.6%	1.7%	11.3%	19.9%	2.6%	(6.0%)	5.2%	(4.7%)	5th
EBITDA MRI (as % interest)	n/a	n/a	436.0%	179.0%	273.0%	(298.0%)	206.0%	(3,762.0%)	n/a
> New Supply delivered									
Social housing units - %	0	0	2.6%	0.3%	4.4%	0.5%	0.0%	0.3%	n/a
Non-social housing units - %	n/a	n/a	-	0.6%	-	-	-	-	n/a
Gearing	n/a	n/a	(0.9%)	41.4%	6.1%	17.1%	10.0%	(19.5%)	n/a
> Effective asset mgt									
Return on Capital Employed - %	(2.1%)	(0.9%)	1.6%	2.0%	1.2%	(0.9%)	2.0%	(2.9%)	6th
>Outcome delivered									
Reinvestment	6.3%	2.0%	8.7%	6.0%	6.5%	4.1%	2.3%	6.5%	7th
>Operating Efficiency									
Headline social housing unit costs	£ 11,596	£ 10,017	£ 16,112	£ 13,310	£ 28,646	£ 31,210	£ 7,795	£ 25,630	2nd
Management cost per unit	£ 2,089	£ 1,921	£ 1,355	£ 2,424	£ 7,193	£ 12,850	£ 7,049	£ 9,766	2nd
Service charge cost per unit	£ 4,956	£ 3,123	£ 6,186	£ 2,421	£ 10,760	£ 12,879	£ 10,310	£ 16,051	2nd
Routine Maintenance cost per unit	£ 492	£ 402	£ 3,162	£ 973	£ 5,291	£ 2,268	£ 4,482	£ 3,365	1st
Planned Maintenance cost per unit	£ 64	£ 220	£ 3,117	£ 1,271	-	-	-	£ 1,010	4th
Major repairs cost per unit	£ 183	£ 361	£ 524	£ 208	-	£ 272	£ 257	-	6th
Lease costs	£ 3,325	£ 3,079	£ 670	£ 913	-	-	-	£ 6,142	6th
Capitalised major repairs expenditure for period	£ 183	£ 361	£ 803	£ 192	£ 694	£ 4,361	£ 2,931	£ 3,400	2nd
Other (social housing letting) costs	(£ 34) -	£ 411	£ 2,173	£ 619	£ 1,663	-	£ 249	£ 810	3rd
Other social housing activities: charges for support services]	£ 15,660	£ 15,466	£ 18,815	£ 7,963	£ 11,897	£ 41,963	£ 2,531	£ 24,427	4th
Total social housing units owned and/or managed at period end	664	719	2,303	1,276	1,309	2,390	3,622	2,535	7th

We benchmark ourselves against a selected group of peer organisations to gain an objective perspective. We have identified six similar-sized registered providers of social housing who offer care and support services and operate in comparable geographic areas. Using their metrics from the 2023 Global Accounts of private registered providers, we have ranked our performance across these key measures. This approach helps us gain an objective view of our performance, enabling us to learn, plan, grow, and take corrective actions where necessary.

Our results indicate that our headline social housing unit cost metric has increased from £10,017 to £11,596 per unit. This rise reflects higher housing management, maintenance, and support costs, set against a backdrop of a reduction in unit numbers to 664 in 2024 (from 719 in 2023). Costs were particularly affected by our decision to voluntarily implement the Real Living Wage for our lower-paid staff and a one-off 'Well-being' payment to all of our staff.

Value for money through delivery

The Group continues to promote value-for-money improvements through the following main channels:

- Co-production - by increasing levels of co-production, we can deliver services differently and more effectively using local ideas and innovations.
- Governance - through scrutiny and assurance, we ensure that the people we support get value for money through internal and external benchmarking and robust budgeting.
- Delivery processes – the pandemic forced us to reassess how we work and how we deliver services. Many of the changes delivering efficiencies will continue, and we have aligned our digital strategy, making our business more technology-driven and end-user-focused.
- Implementation of our three-year transformation programme (2022-2025) – 'Bridging the Gap' identified six areas to achieve efficiencies over three years. We are in the plan's second phase and on course to achieve our target.

Streamline existing operations and

  - Key change 1: Reduce central overhead to a maximum of 12% of overall income by changing how we deliver the central support of our services.
  - Key change 2: Streamline systems and processes to reduce time and human effort to deliver tasks, generating efficiencies.

- Key change 3: Review the viability of individual services – both those performing well and those challenged, to scope wider opportunities for efficiency whilst also improving effectiveness.
- Key change 4: Maximise income from existing business operations.
- Key change 5: Review alternative income streams following capital investment - optimise the use of our assets to enhance income generation.
- Key change 6: Review opportunities for growth, including opportunities for strategic partnerships/ merger.

When compiling the Corporate Plan, we ensure that our plan priorities take into account how these will impact and improve our regulatory indicators.

Procurement

The Group has a procurement strategy with a focus on strengthening the Group's approach to procurement and supporting the achievement of the approved Group Strategy. The procurement strategy aims to ensure that procurement activities are undertaken efficiently and economically and provides direction to strive for best practice in procurement while constantly improving value for money and the quality of goods and services that are procured. It outlines the role that procurement will play in the delivery of the Group's priority objectives:

- To evaluate and improve current procurement practices to achieve better value for money and to ensure the Group's needs are met efficiently and effectively.
- To ensure that good practice examples are identified and applied consistently across the organisation.
- To review our products to ensure these are providing a return on investment.
- To renegotiate contracts to maximise economies of scale.
- To reduce our environmental impact and increase our sustainability, making the best use of our national footprint.
- To ensure that current and future procurement activities are planned, monitored and reviewed effectively.
- To create a structure where we can share resources, drive innovation and create more efficient ways of working.
- To use digital solutions to create the most efficient and effective procurement methods to deliver the best possible service.
- To use digital solutions to strengthen the financial controls of the business procurement process – using Workday "purchase to pay".
- To identify opportunities for collaboration with others to widen the scope for maximising purchasing power and identifying innovation.
- To identify what part customers will play in the procurement process.

Looking ahead

The Board approved the Transformation Plan - 'Bridging the Gap' as part of its three-year financial planning and budgeting process. The 2024/25 budget was compiled to deliver the final stages of the transformation plan but due to the Merger, the plan is expected to change in line with the revised objectives and strategic priorities of the new group. The Business and Finance Committee of the new group will continue to review plans brought before it regularly to ensure risks arising from actions are well managed and mitigated, and the savings delivered remain in line with aspiration. This will allow more money to flow to frontline delivery, thereby enhancing our financial sustainability and delivering even greater value for our organisation and those we serve.

STATEMENT OF THE GROUP BOARD ON INTERNAL CONTROLS ASSURANCE

The Group Board is responsible for controls assurance for the whole group and reviewing its effectiveness. The Directors recognise that such systems can provide only reasonable, not absolute, assurance against material misstatement or loss.

Board Members and Meetings

A comprehensive list of Board Members for the year can be found on page 1. The Group Board held a total of seven formal meetings during the year (2023: 6). Overall attendance, including Executive Directors, at these meetings was 88% (2023: 94%), down year on year due to two of the meetings being scheduled at short notice. The meetings, which also include Board Committees, were primarily conducted via videoconference, with the exception of two annual Board away events, which were held in person. Each board meeting is prefaced by a discussion on a wide range of topics that explore strategic and governance-related matters. These supplement the risk "deep dives" that occur on a wide range of challenging issues affecting the Group as part of each Committee's quarterly agenda.

Directors participate in one-to-one reviews of the Board, its committees, and their own personal performance, identifying areas for action and any development needs. We use the skills review alongside the priorities in the Group Strategy to assess the strength of governance, future Board needs, and desirable values, experiences, and knowledge in identifying new non-executives as vacancies arise.

Board Members' remuneration, attendance and Partner Board/Committee Memberships in 2023/24 were:

Non-Executive	***Remuneration***	***Group Board Attendance***	***Partner Board/Committee Memberships***	***PARTNER BOARD/ COMMITTEE KEY***
I Ayling	£7,000	7	AAC, BFC	AAP (Aquarius Board)
K Bakshi	£6,000	5	QPC	AAC (Audit & Assurance)
H Edwards	£6,250	2	PeC	BFC (Business & Finance)
M Hopcroft	£5,000	6	AAC, WTC	QPC (Quality & Performance)
S Moore	£6,000	7	AAC, BFC	WTC (Working Together)
P Najsarek	£5,000	6	BFC	PeC (People)
D Oum	£5,022	4		
R Perkins	£6,000	7	PeC, WTC	
C Regan	£10,250	6	PeC,	
J Royle	£6,000	7	PeC, QPC	

The work of our Board Committees is enhanced by co-opted expert advisers who add a wider perspective and expertise. We thank all of them for their dedication to the work of the Group and the sharing of their perspectives.

Matters reserved for the Group Board

The Group Board has delegated limited powers to its six committees: Audit and Assurance, Business and Finance, People, Quality and Performance, Working Together and Remuneration Committees. It reserves certain responsibilities and decisions for itself, specifically:

- Management structure, organisation and essential governance
- Objects, values and corporate strategy
- Annual budget setting
- Key controls as specified in the standing orders and scheme of delegations

Terms of reference for each Board committee are reviewed annually and approved by the Board itself. Each committee (except Remuneration) aims to include an adviser with recent lived experience and has also appointed one or more independent members to bring a broader perspective to the work of each committee. Each independent member contributes significantly to the assurance framework, being experts in their field.

During the year, to support the work of both the Richmond Fellowship and Aquarius Boards, the Group has had in place three key assurance groups which meet quarterly to support the management of risk and add additional expertise and assurance in their areas of focus:

Health and Safety Group – proactively manages health and safety risk and compliance, monitoring risks relating to clients, workforce and premises. This Group includes an external expert adviser and reports and makes recommendations via the Group Board's Quality and Performance Committee to both Boards.

Service Governance Group – this Group oversees the quality of service delivery across the Group, ensuring consistently high standards and assessing and managing emerging risks in service delivery. This Group also makes recommendations to the Group Board's Quality and Performance Committee as required which may result in an onwards recommendation to one or both Boards. This Group also oversees the Quality Improvement Plans and client risk, including the local management of clients' own funds, medication and wellbeing.

Information Governance Group – the primary responsibility of this Group is to ensure full compliance with the law, regulatory requirements, and the rights of individuals accessing or providing our services in all aspects of our information governance approach. Given the growing risks posed by cyber threats, coupled with the escalating significance and dependence on technology and data for the secure and efficient delivery of services, the work undertaken by this Group is crucial to our overall governance efforts.

We will continue to review the effectiveness of these groups as part of the merger restructuring activities to ensure they remain fit for purpose and assess whether there is a more effective way of delivering this assurance.

Identification and evaluation of risks and control objectives

Board Directors, working with the Group Leadership Team (GLT) and the Directors of the Aquarius Board, have separately and collectively considered the major risks to which the Group is exposed. As part of this process, the Audit and Assurance Committee meets four times annually, giving a significant portion of its agenda to risk scrutiny and challenge. The internal and external audit teams are an important source of assurance in fulfilling this remit.

The GLT is responsible for delivering the priorities and managing the associated risks, but each Group Board Committee scrutinises a portfolio of risks, with non-executives introducing additional ideas and rigorously working through the organisation's challenges and management's responses to these.

As a shared responsibility, parent and subsidiary Board Directors and the GLT routinely satisfy themselves that appropriate systems, plans, and procedures are in place to manage risk effectively and assess progress against significant milestones in delivering key priorities.

Managing the business

Performance indicators are in place to provide information that allows management to monitor the key targeted outcomes that have been agreed upon as the best metrics to assess the sound progress of our strategic priorities. These indicators satisfy management that our services are delivering for our beneficiaries and matters which require intervention can be tackled. Our key data management systems provide much of the information to do this, and we continue to make good progress in our long-term goal of moving towards a digital dashboard for more timely information that can be sense-checked against other indicators to be able to inform and suggest actions to ensure that our priorities can be met.

To complement the existing control mechanisms, the provision of effective training and awareness information is vital to ensure the safe and consistent application of processes. As part of our extensive training and development program, several modules are mandatory for all staff, ensuring they are regularly updated to keep the Group's workforce well-informed, prepared, and capable of delivering quality services.

As another line of assurance, our externally sourced Internal Audit Team deliver a comprehensive annual programme highlighting a range of actions that management is pursuing.

Internally, we continued to publicise our Feedback Policy and raise awareness around the key policies that assist with control assurance, such as Whistleblowing, Anti-Money Laundering, Anti-Fraud, Gifts/Hospitality, and Conflicts of Interest. Our Quality Self-Assessment regime is in place across the whole Group and operates at the local, area, and partner-wide levels.

Our Non-Executive Board Members undertake service visits as part of their wider responsibility (and development) to better understand the services we deliver and the challenges faced in delivering them. It is also an opportunity for them to speak to people we support directly. They are popular with our support, staff, and Board Members alike.

At the end of the year, the Group Board has reviewed the controls and assurances in place across the Group and is satisfied that the Group is both compliant with legal and regulatory requirements.

This includes all the areas of work for which the Aquarius Board is ultimately responsible for delivery and oversight.

We maintain close collaboration with external partners and stakeholders to gain insights into their perspectives on our strategic direction and ongoing performance. This includes engaging with commissioners to ensure their satisfaction with our services and exploring ways to enhance their effectiveness. Additionally, we collaborate with local safeguarding teams, fire safety authorities, the Care Quality Commission, and other independent expert advisers, valuing their objective viewpoints as a valuable means of driving our continuous improvement agenda. By actively seeking input from these external sources, we strive to foster a transparent and inclusive approach to our operations and service delivery.

STATEMENT OF THE RESPONSIBILITIES OF THE GROUP BOARD IN RESPECT OF THE ACCOUNTS

The Group Board Directors are responsible for preparing the report of the Group Board, incorporating the strategic report and the accounts in accordance with applicable law, regulations and associated guidance and good practice.

Company and housing law requires the Group Board to prepare consolidated accounts for each financial year in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law) including FRS 102 “The Financial Reporting Standard applicable in the UK and the Republic of Ireland“. Under company and housing law, the Group Board members must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the surplus or deficit of the Group for that period.

In preparing these accounts, the Group Board directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

The Board directors are also responsible for keeping adequate accounting records that are sufficient to show and explain all transactions and disclose with reasonable accuracy at any time the financial position of the Group and that ensure the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and have due regard to Charity Commission guidance. They are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RICHMOND FELLOWSHIP

Opinion

We have audited the financial statements of Richmond Fellowship (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Group and Company Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's and parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 for the group and the company and the Charities Act 2011 (for the Group); and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Emphasis of matter – not a going concern

We draw attention to Note 2 of the financial statements, which explains that the financial statements have not been prepared on a going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Board of Directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in 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 Report of the Group Board has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Group Board.

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 and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of the Responsibilities of the Group Board set out on page 21, the members of the Board (who are directors of the parent charitable company for the purposes of company law and the trustees for the purposes of charitable 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 group's and the parent 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 group or the parent 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

We have been appointed as auditor under the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the group and the parent charitable company's legal and regulatory framework through enquiry of management in respect of their understanding of the

relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of the group and the parent charitable company's industry and regulation.

We understand that the group and the parent charitable company complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A programme of internal audit performed by an independent firm of internal auditors;
- A risk assessment framework and register that includes regular review and scrutiny by the Board of Directors;
- Regular safeguarding and health and safety reviews;
- An annual assessment of compliance with social housing regulations; and
- The Board of Director's close oversight through regular Board meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the group and the parent charitable company's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the group and the parent charitable company:

- FRS 102 and the requirements of the Companies Act 2006, in respect of the preparation and presentation of the financial statements;
- Safeguarding, including health and safety and Care Quality Commission regulations; and
- Social housing and Charity law and regulation.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Making enquiries of management and the Audit and Assurance Committee as to the risks of non-compliance and any instances thereof;
- Reviewing internal audit reports and correspondence between regulators and the group and the parent charitable company; and
- Reading minutes of meetings of those charged with governance.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the group and the parent charitable company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries and incorrect recognition of revenue.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the group and the parent charitable company's processes and controls surrounding manual journal entries;
- Reviewing and challenging estimates made by management; and
- Substantive work on revenue transactions.

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

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company, and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Bond
Senior Statutory Auditor, for and on behalf of

CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V 7BG
28 August 2024

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2024

	Notes	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Turnover	3	50,642	44,478	46,296	40,098
Expenditure					
Recurring		(50,907)	(45,106)	(46,174)	(40,838)
Non-recurring	9	(636)	(636)	(265)	(265)
Total Operating expenditure	3	(51,543)	(45,742)	(46,439)	(41,103)
(Deficit) / Surplus on property disposals		(64)	(64)	683	683
Movement in the value of investments Properties	15	587	587	-	-
Operating (Deficit) / Surplus		(378)	(741)	540	(322)
Interest receivable and similar income	10	1,044	800	498	412
Interest & financing costs	11	(67)	(67)	(10)	(10)
Movement in the value of investments	18	263	263	(230)	(230)
Surplus / (deficit) before tax		**862**	**255**	**798**	**(150)**
Taxation on surplus		-	-	-	-
Actuarial (loss)/gain in respect of pension scheme	8	(20)	(20)	(425)	(425)
Total comprehensive income for the year		**842**	**235**	**373**	**(575)**

The Statement of Comprehensive Income was approved and authorised for issue by the Group Board on 28 August 2024.

C.A.Regan

C.A.Regan (Aug 28, 2024 13:45 GMT+1)

Carolyn Regan (Group Chair)
Director

Susan Moore (Chair od Audit and Assurance Committee)
Director

STATEMENT OF FINANCIAL POSITION as at 31 March 2024
COMPANY NUMBER 0662712

	Note	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Fixed Assets					
Property, plant & equipment					
- Housing & other properties used for social provision	**13**	22,576	20,096	23,956	21,670
- Other property, plant and equipment	**14**	4,892	4,223	5,041	4,369
Investment Properties	**15**	2,000	2,000	-	-
Post-employment benefits	**8**	47	47	62	62
		29,515	26,366	29,059	26,101
Current assets					
Inventories	**16**	203	203	173	171
Debtors due within one Year	**17**	5,889	4,515	6,173	5,346
Investments	**18**	4,035	4,035	3,772	3,772
Cash at bank and in hand		19,393	14,559	19,166	14,306
		29,520	23,312	29,284	23,595
Creditors: amounts falling due in one year	**19**	(8,207)	(6,871)	(7,457)	(6,224)
Net current assets		**21,313**	**16,441**	**21,827**	**17,371**
Total assets less current liabilities		**50,828**	**42,807**	**50,886**	**43,472**
Creditors: amounts falling due over one year	**20**	(6,938)	(6,938)	(7,838)	(7,838)
Total assets less liabilities		**43,890**	**35,869**	**43,048**	**35,634**
Funds					
Restricted funds	**24**	8,774	2,516	8,362	2,712
Unrestricted funds					
- Unrestricted general funds	**26**	33,867	32,286	33,685	32,103
- Designated funds	**25**	184	-	184	-
- Revaluation reserve	**26**	1,018	1,020	755	757
- Pension reserve	**26**	47	47	62	62
		43,890	**35,869**	**43,048**	**35,634**

The Statement of Comprehensive Income was approved and authorised for issue by the Group Board on 28 August 2024.

C.A.Regan
C.A.Regan (Aug 28, 2024 13:45 GMT+1)

Carolyn Regan (Group Chair)
Chair

Susan Moore (Chair of Audit and Assurance Committee)
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2024

		Unrestricted				
	Restricted Funds	General Funds	Designated Funds	Revaluation Reserve	Pension Reserve	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2022	**7,095**	**34,050**	**184**	**985**	**484**	**42,798**
Surplus for the year	-	798	-	-	-	798
Released on Disposal	-	(123)	-	-	-	(123)
Other comprehensive income	-	-	-	-	(425)	(425)
Total comprehensive income	**-**	**675**	**-**	**-**	**(425)**	**250**
Transfers (note 23)	1,267	(1,040)	0	(230)	3	-
Balance at 31 March 2023	**8,362**	**33,685**	**184**	**755**	**62**	**43,048**
Surplus for the year		862				862
Released on Disposal		-				-
Other comprehensive charge					(20)	(20)
Total comprehensive income	-	862	-	-	(20)	842
Transfers (note 23)	412	(680)	0	263	5	-
Balance at 31 March 2024	**8,774**	**33,867**	**184**	**1,018**	**47**	**43,890**

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2024

		Unrestricted				
	Restricted Funds	General Funds	Designated Funds	Revaluation Reserve	Pension Reserve	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2022	**2,392**	**32,346**	**-**	**987**	**484**	**36,209**
Surplus for the year	-	(150)				(150)
Other comprehensive income					(425)	(425)
Total comprehensive income	-	(150)	-	-	(425)	(575)
Transfers (note 23)	320	(93)	-	(230)	3	-
Balance at 31 March 2023	**2,712**	**32,103**	**-**	**757**	**62**	**35,634**
Surplus for the year		255				255
Other comprehensive charge					(20)	(20)
Total comprehensive income	-	255			(20)	235
Transfers (note 23)	(196)	(72)	-	263	5	-
Balance at 31 March 2024	**2,516**	**32,286**	**0**	**1,020**	**47**	**35,869**

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2024

	Note	2024 £000	2023 £000
Net cash Inflow from operating activities	**32**	**37**	**1,066**
Cashflow from investing activities			
Acquisition & development of properties used for service provision		(1,105)	(486)
Sale of housing properties		611	1,175
Purchase of other property, plant & equipment		(357)	(239)
Investment income received		147	156
Interest received		894	327
Net cash generated by activities		190	933
Net increase in cash and cash equivalents		227	1,999
Cash & cash equivalents at the beginning of the year		19,166	17,167
Cash & cash equivalents at the end of the year		**19,393**	**19,166**
Cash & cash equivalents at the end of the year comprise:			
Cash at bank & in hand		19,393	19,166
		19,393	**19,166**

NOTES TO THE ACCOUNTS for the year ended 31 March 2024

1. Legal status

Richmond Fellowship ("the company") is a private company limited by guarantee (number 662712) and is incorporated in England; the registered office address is 80 Holloway Road, London, N7 8JG. The company is a registered charity (number 200453) and is also registered as a private provider of social housing with the Regulator of Social Housing (number H2025).

Aquarius Action Projects ("Aquarius"), is a wholly owned subsidiary of Richmond Fellowship. It is incorporated as a private company limited by guarantee under the Companies Act 2006 in England, number 2427100. It is also a registered charity, number 1014305. Its registered office is 236 Bristol Road, Birmingham, B5 7SL.

The group of companies is collectively known as Recovery Focus as referred to as the "Group"

Details of the principal activities of the Group are given in the accompanying narrative reporting.

2. Accounting policies

Basis of preparation

The financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Housing SORP 2018 "Statement of Recommended Practice for Registered Social Housing Providers" and comply with The Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are also prepared in accordance with the Companies Act 2006 and the Housing and Regeneration Act 2008. The consolidated financial statements are additionally prepared in accordance with the Charities Act 2011.

The Company is a public benefit entity and the Group is a public benefit group, as defined by FRS 102. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets in accordance with the Group's accounting policies.

Disclosure exemptions

The Company is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the exemption from presenting a statement of company cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements.

Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and its subsidiary undertaking.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In the case of subsidiaries which are charitable companies limited by guarantee, that control exists by virtue of the company being the sole member of each of the subsidiaries thereby being able to appoint the trustees of those entities.

Where a subsidiary has different accounting policies to the Group, adjustments are made to that subsidiary's financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations

The acquisition method, as applied to public benefit groups, is used to account for a combination with a new charitable subsidiary.

The acquisition method requires that the new subsidiary's assets and liabilities be initially recognised at their fair value. Where the nature of the combination is in substance a gift, the fair value of the gifted assets and liabilities is recognised as a gain or loss in the statement of comprehensive income in the year of the transaction, with all costs directly relating to the combination being expensed. For combinations which are in the nature of acquisitions, the excess of the fair value and directly attributable costs of the purchase consideration over the fair values of net assets and liabilities acquired is recognised as goodwill.

On transition to FRS 102 the Group and Company took the exemption available to not restate acquisitions affected before the transition date of 1 April 2014.

Going concern

The financial statements have been prepared on a basis other than that of going concern which the directors consider to be appropriate in the circumstances for the following reasons.

Richmond Fellowship and its subsidiary (Aquarius) merged with Humankind on 1 June 2024 and the directors have decided to transfer all the net assets to the merged group except for a handful of contracts that will not novate. This integration is expected to be completed within the next 12 months and the newly formed group is expected to continue trading for the foreseeable future.

As required by UK Accounting Standards, the directors have prepared the financial statements on the basis that the group is no longer a going concern. No material adjustments arose as a result of ceasing to apply going concern basis. All assets and liabilities are expected to be transferred to the newly formed group at carrying amounts.

Key sources of estimation uncertainty and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements, estimates and assumptions have had the most significant effect in amounts recognised in the financial statements:

(a) Critical judgements

In preparing the financial statements, the following judgements which have, or could have, a material impact on the financial statements were made:

Identification of housing property components
Housing property depreciation is calculated on a component-by-component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Housing property impairments
An impairment review of the Group's properties is undertaken when an impairment indicator is believed to have been triggered. The 2023/24 review did not result in the requirement for any impairments.

Properties let to other service providers
Properties let to other service providers are classed as property, plant and equipment rather than as investment properties, as the properties are retained primarily to ensure the continued provision of services to beneficiaries, rather than for capital gain or income generation.

Cap on net pension scheme asset
The net defined pension scheme asset is recognised only to the extent of the net present value of the estimated future Group contributions to the scheme, as it is deemed to be unlikely that the scheme trustees would make refunds to the Group.

Investment Properties
The fair value of investment properties is determined by Market value approach.

(b) Key accounting estimates and assumptions

Estimation of revenue
Income from the provision of services is recognised as the services are provided. In most cases, the services are provided in accordance with the funding agreement, but in a minority of cases, the funder may contend that the services haven't been fully provided and retrospectively demand that a proportion of the invoiced income be refunded. Estimates are therefore necessary as to the extent to which invoiced income may be repayable.

Defined benefit pension scheme
The cost of defined benefit pension scheme plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount valuation rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and long-term nature of these plans, such estimates are subject to considerable uncertainty and the Group relies on the expert input of actuaries. Further details of the assumptions made are provided in Note 8.

Useful lives

Depreciation of assets is calculated based on the cost and the estimated useful lives of the assets. The expected useful lives for housing property components is estimated based on the expected replacement frequency used for asset management purposes.

Impairments of housing and other properties held social purposes

The cost of purchasing an equivalent property on the open market is estimated based on the sales prices for similar properties in or near the same location.

The rebuilding cost of structures and components is based on the current build costs obtained from market data (being primarily construction indices) applied to the relevant building size and type.

Rent arrears and other debtors

Provision is made for rent arrears where there is objective evidence concerning recoverability. This is an estimate based on past experience, the current level and age profile of the arrears / debtors, and the specific circumstances relating to a particular rent arrear or debt.

Investment Properties

Properties rented on the open market are valued based on the Market value approach subject to occupational agreements and normal market period of six to 12 months.

Carrying values

The carrying amount of the assets and liabilities affected by the above estimates are set out in the notes below.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents rental income receivable; fees from local authorities and other funders for the provision of services; grant income from the Government and other bodies; income from fundraising activities and amounts receivable for goods sold. All such amounts are stated excluding VAT where this has been applied.

Income is recognised as follows:

- *Rental Income* – on a time apportioned basis
- *Service Income* – as the services are provided
- *Donations* – when the Group has entitlement, the donation can be measured reliably, and receipt is probable
- *Revenue (performance) grants* – in the same period as the expenditure to which they relate
- *Government capital grants* - recognised using the accruals model and initially deferred and then credited to revenue on a straight-line basis over the expected life of the asset which they have funded
- *Other capital grants* – recognised using the performance model, with recognition being when the Group has entitlement, the grant can be measured reliably, and receipt is probable

Donated assets and services which would otherwise have been purchased are included at the estimated expenditure purpose, the donations may become repayable in which case the liability is recognised when the related asset is disposed of or when it ceases to be used for the approved purpose.

Arrears

Debtors include the total rent and service charge arrears which is comprised of both current and former tenant arrears. Former tenant arrears are fully provided for in the financial statements at the point the tenant leaves the property. Current tenant arrears are provided for at specific rates according to the age of the debt.

Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan

The Group operates a defined contribution plan, whereby the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the statement of financial position.

The assets of the plan are held separately from the Group in independently administered funds.

State plan
The Group is an admitted body to the NHS Pension Scheme, a multi-employer defined benefit pension scheme. The Group has no on-going liability to this scheme other than to pay contributions as they fall due and this plan is accounted for as a defined contribution plan.

Defined benefit pension plan
The Group operates a defined benefit plan for certain employees. 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.

The asset recognised in the statement of financial position in respect of the defined benefit plan is the lower of the fair value of the plan assets at the reporting date less the present value of the defined benefit obligation at the reporting date and the net present value of the estimated future Group contributions to the scheme.

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 ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Re-measurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in operating expenditure in the statement of comprehensive income as employee costs comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the statement of comprehensive income as 'Finance expense'.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Trade and other debtors and creditors, including rent arrears and rent paid in advance, are classified as basic financial instruments and measured at initial recognition at transaction price. Such debtors and creditors are subsequently measured at amortised cost using the effective interest rate method, save that amounts expected to be settled within 12 months are not discounted. An impairment provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents and long-term bank deposits are classified as basic financial instruments and are initially recognised at their transaction price and subsequently at fair value.

Interest bearing bank and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the counterparty, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Financial assets are derecognised when either the contractual rights to the cash flows from the asset are settled or expire, or when substantially all the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities are derecognised when the liability is extinguished, that is when contractual obligation is discharged, cancelled or expires.

Managed properties

Income and expenditure relating to housing properties managed by the Group are recognised in the statement of comprehensive income where the Group is exposed to a significant proportion of the risks and rewards associated with the properties.

Housing and other properties used for social purposes

Housing and other properties used for social purposes are properties which are held to provide residential accommodation, nursing homes or day care centres. These properties are stated at cost less accumulated depreciation and any recognised impairment loss. The cost of the properties is the purchase price together with those costs that are directly attributable to acquisition and construction up to the date of completion.

Properties in the course of construction are not depreciated.

Depreciation is charged on major components so as to write down the cost of the components to their estimated residual value on a straight-line basis over their estimated useful lives as follows:

Freehold Land	indefinite	Structure	100 years
Pitched Roof	60 years	Flat Roof	20 years
Windows	40 years	Boilers	15 years
Bathrooms	20 years	Kitchens	15 years
Wiring	30 years	Fire Systems	10 years

Subsequent expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in incremental future benefits is capitalised and the carrying amount of any replaced component or part component is derecognised. Any other expenditure incurred in respect of repairs is charged to operating expenses in the statement of comprehensive income.

Other tangible fixed assets

Other fixed assets are stated at cost less depreciation. Depreciation is charged on a straight-line basis over the expected economic lives of the assets at the following annual rates:

Office premises	1%
Motor vehicles	25%
Plant & machinery	25%
Furniture	25%
Computer, IT & other office equipment	20%
Computer software	10%

Inventories

Inventories are stated at cost less provision for impairment losses.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indicator that the asset (or asset's cash generating unit) may be impaired. If there is such an indicator the recoverable amount of the asset (or asset's cash generating unit; CGU) is compared to the carrying amount of the asset (or asset's cash generating unit).

Assets not used for social purposes

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use (VIU) is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the operating expenses unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or

amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Assets used for social purposes, including housing and other properties
For the purposes of impairment assessments, housing and other properties used for social purposes are assessed on a property by property basis.

At each statement of financial position date, the properties are assessed to determine if there are indicators that the property may be impaired in value; if there are such indicators of impairment, then a comparison of the property's carrying value to its recoverable amount is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as operating expenses in the statement of comprehensive income; the carrying value is reduced appropriately. The recoverable amount of a property is the higher of its fair value less costs to sell and its value in use. Value in use for properties which are able to be used in their current condition and which are fulfilling the social purpose for which they were acquired is based on the depreciated replacement cost of the asset. For other schemes, value in use is defined as the net present value of the future cash flows before interest generated from the scheme.

When an impairment loss is subsequently reversed, the carrying amount of the property is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in operating expenses in the statement of comprehensive income.

Government grants (social housing grants - SHG)

Government grants are recognised when there is reasonable assurance that the Group will receive the grant and be able to comply with the terms of the grant. Grants are classified as either relating to assets or as relating to revenue.

Grants relating to assets are accounted for using the accrual model and are recognised as revenue in the statement of comprehensive income over the period of the estimated life of the relevant asset to which it relates as follows:

- Grants relating to whole properties – over the useful life of the structure
- Grants relating to components – over the useful life of the relevant components

Grants relating to assets are derecognised when the asset to which they relate is derecognised.

Grants which relate to revenue are accounted for using the performance model and are recognised in the statement of comprehensive income as the associated costs to which the grant relates are recognised.

Any grants which are received but are not recognised are disclosed as liabilities.

Grant relating to a property which is sold is derecognised and disclosed as a liability where repayment or recycling is required. Where SHG is recycled, it is credited to a fund which appears as a creditor until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year

Current asset investments

Investments are stated at fair value and any changes in the fair value are recognised in the statement of comprehensive income.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to operating expenses in the statement of comprehensive income on a straight-line basis over the life of the lease.

Incentives received to enter into an operating lease are credited to operating expenses, to reduce the lease expense, on a straight-line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits and other highly liquid investments which have a maturity of three months or less.

In certain cases, the Group and its employees assist individuals to manage their money in their bank accounts. These bank accounts do not relate to the Group and are therefore not dealt with in these financial statements.

Provisions

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

Value Added Tax

The Group is registered for VAT and the balances shown in these accounts exclude VAT where applicable. Irrecoverable input VAT is expensed as incurred and is analysed in line with the underlying expense to which it relates.

Taxation

All entities within the Group are registered charities and are able to obtain relief from corporation tax, provided that they operate within certain charitable exemptions, including applying all income to charitable purposes. Since these conditions have been fulfilled, these entities do not recognise provisions for taxation.

Provision is made for direct and deferred tax in respect of non-charitable subsidiaries; currently, the activities of non-charitable subsidiaries are immaterial to the Group.

3. Particulars of turnover, operating expenditure and operating surplus / (deficit)

Group	2024			2023		
	Turnover	Operating expenditure	Operating Surplus (Deficit)	Turnover	Operating expenditure	Operating Surplus (Deficit)
	£000	£000	£000	£000	£000	£000
Social housing activities						
Social housing lettings *(note 4)*	7,827	7,700	127	7,323	7,202	121
Other social housing activities						
Supporting people contract income	14,454	15,660	(1,206)	14,302	15,466	(1,164)
	22,281	**23,360**	**(1,079)**	**21,625**	**22,668**	**(1,043)**
Activities other than social housing activities						
Registered care home	713	680	33	528	509	19
Crisis Houses	4,769	5,031	(262)	3,794	3,909	(115)
Community based projects	21,535	20,292	1,243	19,583	18,802	781
Leased to third party providers	148	122	26	181	61	120
Market Rent	147	-	147			
Other	1,049	1,422	(373)	585	225	360
Non-recurring expenditure (*note 9*)	-	636	(636)	-	265	(265)
	28,361	**28,183**	**178**	**24,671**	**23,771**	**900**
TOTAL	**50,642**	**51,543**	**(901)**	**46,296**	**46,439**	**(143)**
Surplus / (deficit) on disposals of fixed assets			**(64)**			**683**
Fair Value: Movement on Investment Properties			**587**			**-**
Operating surplus / (deficit)			**(378)**			**540**

3. Particulars of turnover, operating expenditure and operating surplus / (deficit) (continued)

Company	2024			2023		
	Turnover	Operating expenditure	Operating Surplus (Deficit)	Turnover	Operating expenditure	Operating Surplus (Deficit)
	£000	£000	£000	£000	£000	£000
Social housing activities						
Social housing lettings *(note 4)*	7,827	7,700	127	7,323	7,202	121
Other social housing activities						
Supporting people contract income	14,454	15,660	(1,206)	14,302	15,466	(1,164)
	22,281	**23,360**	**(1,079)**	**21,625**	**22,668**	**(1,043)**
Activities other than social housing activities						
Registered care homes	713	680	33	528	509	19
Crisis Houses	4,769	5,031	(262)	3,794	3,909	(115)
Community-based projects	15,402	14,518	884	13,384	13,600	(216)
Leased to third party providers	148	122	26	181	61	120
Market Rent	147	-	147	-	-	-
Other	1,018	1,395	(377)	586	91	495
Non-recurring expenditure (note 9)	-	636	(636)	-	265	(265)
	22,197	**22,382**	**(185)**	**18,473**	**18,435**	**38**
TOTAL	**44,478**	**45,742**	**(1,264)**	**40,098**	**41,103**	**(1,005)**
Surplus on disposals of fixed assets			**(64)**			**683**
Fair Value: Movement on Investment Properties			**587**			**-**
Operating surplus / (deficit)			**(741)**			**(322)**

4. Particulars of income and expenditure from social housing lettings

GROUP AND COMPANY

	2024	2023
Supported housing	**Total**	**Total**
	£000	**£000**
Rent receivable net of service charges	2,748	3,902
Rent refund provision**	-	(427)
Service charge income	4,992	3,851
Net rental income	**7,740**	**7,326**
Government grants taken to income		
Amortised government grants*	87	(3)
Turnover from social housing lettings	**7,827**	**7,323**
Operating expenditure		
Housing management	1,388	1,381
Service charge cost	3,291	2,246
Routine maintenance	326	289
Planned maintenance	42	158
Major repairs expenditure	121	260
Bad debts	(22)	296
Property lease charges	2,208	2,213
Depreciation of housing properties and associated fixtures, fittings and equipment	346	359
Operating expenditure on social housing lettings	**7,700**	**7,202**
Surplus on social housing lettings (as per note 3)	**127**	**121**
Void losses (deducted from rent above)	**1,065**	**808**

Throughout the year we operated a few residential crisis services which are not considered to be social housing (and the premises were not provided with the support of social housing grant) and as such are excluded from all the data contained within this note.

Income and expenditure reflect all social housing provided by Richmond Fellowship, irrespective of the intensity of support given as part of the service provision.

*2023 Amortised government grant includes a £94k write-back relating to a property reclassified for market rental

**2023 The total rent charged for the year includes a provision of £427k designated for refunding rental overcharges to our customers.

5. Leases

The Group lets certain of their housing properties to social housing tenants and to other social landlords.

Social housing tenancies
The social housing tenancy agreements are governed by housing law and rents levels are governed by the Government through powers derived from the Housing and Regeneration Act 2008. Housing law sets out various safeguards for tenants, the effect of which is to make gaining possession of the properties in the event of a default by tenant an onerous process requiring Court action by the Group. In addition, where a tenant is in default through the failure to pay rent due, the Court, rather than terminating the tenancy, will usually order that the tenant clears the arrears over a number of years by making small weekly payments.

The tenants have no statutory rights or rights under the tenancy agreements to purchase the properties.

Properties let to other social housing landlords
Richmond Fellowship has a few properties which are let under non-cancellable operating leases to other social landlords for the provision of social housing and will receive the following future rents from such properties:

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Rents due within one year	79	79	82	82
Rents due between one and five years	108	108	83	83
Rents due after five years	-	-	-	-
Total	**187**	**187**	**165**	**165**

6. Key management emoluments

The emoluments of the directors / key management were as follows:

The emoluments of the directors / key management were as follows:	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Emoluments (including pension contributions and benefits in kind)				
Executive staff	498	427	589	530
Non-executive directors	63	63	66	66
	561	**490**	**655**	**596**
Employers' national insurance	75	67	72	66
	636	**557**	727	662
Emoluments paid to the highest paid Director (Excluding pension contribution, including benefits in kind)	**109**	**109**	**127**	**127**
Pension contributions for the highest paid director	**5**	**5**	**8**	**8**

The Group Chief Executive is an ordinary member of the Group's defined contribution pension scheme. No special terms apply.

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Directors' emoluments, as defined by the Companies Act 2006	**488**	**488**	**594**	**594**

Four executive directors were members of the defined contribution pension scheme during the year.

7. Employee information

Average number of employees employed during the year:

Full time equivalents	2024 Group No.	2024 Company No.	2023 Group No.	2023 Company No.
Office Staff	128	114	115	102
Service Staff	1,024	875	975	834
Total staff	1,152	989	1,090	936

The full-time equivalent number of staff has been derived by reference to estimated hours worked.

Actual employees	2024 Group No.	2024 Company No.	2023 Group No.	2023 Company No.
Office staff	124	110	111	99
Service staff	984	823	928	800
Total staff	1,108	933	1,039	899

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Wages and salaries	29,849	25,882	26,903	23,303
Redundancy costs	151	151	192	192
Social security costs	2,674	2,309	2,438	2,118
Other pension costs	1,246	1,016	1,140	938
Total	**33,920**	**29,358**	**30,673**	**26,551**

During the year, 22 people (2023 - 13) were made redundant. Wages and salaries include an ex-gratia payment of £18k to one employee (2023 - £34k to 3 employees). Non-contractual payments are made on an exceptional basis only and are individually approved by the Group Leadership Team (or the Remuneration Committee of the Board should they apply to Senior Management).

Senior Pay Banding

In the year, the following number of staff within the business, expressed in full-time equivalents, were paid remuneration (including pensions) of over £60,000:

Staff remuneration bandings	2024 Group No.	2024 Company No.	2023 Group No.	2023 Company No.
£130,001 to £140,000	-	-	1	1
£100,001 to £110,000	2	2	-	-
£90,001 to £100,000	-	-	1	1
£80,001 to £90,000	2	2	2	2
£70,001 to £80,000	4	3	-	-
£60,001 to £70,000	3	3	4	4
Total staff	**11**	**10**	**8**	**8**

Pension costs are analysed as follows:

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Defined contribution schemes, including contributions to state schemes, accounted for as defined contribution pension schemes	1,240	1,009	1,115	913
Defined benefit schemes – current service costs	63	63	25	25
	1,303	**1,072**	**1,140**	**938**

8. Post-employment benefits

NHS Pension Scheme

The Group is an admitted body to the NHS Pension Scheme. The Group's contribution in 2024 was £17k (2023: £22k) and the total number of employees participating in the scheme at the end of the year was 7 (2023: 7). The Group has no on-going employer's liability in respect of this scheme other than to fulfil annual contribution obligations for members whilst they are employed by the Group. This scheme is accounted for as a defined contribution scheme as the scheme actuary is unable to provide any details of the notional assets and liabilities attributable to the Group. More details regarding the scheme are available from the NHS Pensions website.

2Care Pension & Life Assurance Scheme

RF operates a defined benefit scheme, the 2Care Pension & Life Assurance Scheme. The assets of the fund are held in a separate trustee administered fund. Contributions to the scheme are assessed with the advice of a qualified actuary based on valuations using the projected unit method. Future employer contributions to the scheme have been agreed as being 26.95% (2023 – 26.95%) of pensionable salaries plus life assurance costs. Future employee contributions have been agreed as 8.45% (2023 – 8.45%) of pensionable salaries. The fund is now closed to new entrants and as a closed scheme it is likely that the future contribution rates will increase.

A comprehensive actuarial valuation of the fund was carried out as at 31 March 2024 by the Scheme's appointed actuary. Adjustments to the valuation at that date have been made based on the following assumptions:

	2024 % per annum	2023 % per annum
Inflation	3.20	3.20
Salary increases	3.10	3.20
Rate of discount	5.10	4.80
Pension in payment increases - pre 97 accrual	3.60	3.60
Pension in payment increases - post 97 accrual	3.00	3.00
Revaluation rate for deferred pensioners – RPI	3.10	3.20
Revaluation rate for deferred pensioners – CPI	2.70	2.70
Expected return on assets	4.80	4.80
Mortality assumptions:	**Years**	**Years**
Longevity at age 65 for current pensioners		
Men	20.9	22.2
Women	22.9	23.9
Longevity at age 65 for future pensioners		
Men	22.3	23.5
Women	24.4	25.4

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Total
	£000	£000	£000
At April 2022	**10,534**	**(8,747)**	**1,787**
Benefits paid	(67)	67	-
Employer contributions	14	-	14
Employees' contributions	4	(4)	-
Current service cost	-	(25)	(25)
Interest income / (expense)	-	(244)	(244)
Actuarial losses:			
Return on plan assets excluding interest income	294	-	294
Actuarial gains / (losses)	(4,277)	3,578	(699)
At 31 March 2023	**6,502**	**(5,375)**	**1,127**
Benefits paid	(70)	70	-
Employer contributions	13	-	13
Employees Contributions	4	(4)	-
Current service cost	-	(11)	(11)
Interest income / (expense)	-	(257)	(257)
Actuarial losses:			
Return on plan assets excluding interest income	311	-	311
Actuarial gains / (losses)	130	426	556
At 31 March 2024	**6,890**	**(5,151)**	**1,739**
Effect of asset ceiling			(1,692)
Net assets at 31 March 2024			**47**

The unrecognised surplus as at 31 March 2024 was £1,692k (2023: £1,065k).

Amounts recognised in income and expenditure are as follows:

	2024	2023
	£000	£000
Current service costs	11	25
Financial income	(3)	(14)
Total	**8**	**11**

Amounts recognised in other comprehensive income are as follows:

	2024	2023
	£000	£000
Return on plan assets excluding interest	130	(4,277)
Experience gains and losses arising on plan liabilities	(17)	(184)
Effects of changes in assumptions affecting plan liabilities	443	3,762
Effects of changes in the amounts of the surplus that is not recoverable	(576)	274
Total	**(20)**	**(425)**

Plan assets are invested as follows:

	2024	2023
	£000	£000
Equities	-	516
Diversified Growth Funds	1,967	4,327
Liability Driven Investment	4,820	1,557
Cash	103	102
Total	**6,890**	**6,502**

9. Non- Recurring items

	2024 Group	2024 Company	2023 Group	2023 Company
	£000	£000	£000	£000
Organisational Restructure	-	-	265	265
Merger cost	636	636	-	-
Total	**636**	**636**	**265**	**265**

10. Interest receivable and financial income

	2024 Group	2024 Company	2023 Group	2023 Company
	£000	£000	£000	£000
Interest receivable on deposits	894	650	327	241
Listed investment income	147	147	157	157
Net return on post-employment benefits	3	3	14	14
Total	**1.044**	**800**	**498**	**412**

11. Interest and financing costs

	2024 Group	2024 Company	2023 Group	2023 Company
	£000	£000	£000	£000
Recycled capital grant fund interest	**67**	**67**	**10**	**10**

12. Surplus for the year

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Depreciation and impairment of tangible owned fixed assets	827	788	886	845
Auditor's remuneration: (Excluding VAT)				
Audit of Group Annual Accounts	86	86	76	76
Audit of Group Subsidiary Accounts	21	-	18	-
Operating Leases				
Receivables from non-cancellable operating leases	79	79	82	82
Payments under non-cancellable operating leases	328	328	347	347
Rents payable under property licenses	2,263	2,256	2,231	2,158
Surplus / (deficit) on disposal of fixed assets				
Net proceeds from the sale of fixed assets	611	611	1,175	1,175
Less: net book value of assets sold	(315)	(315)	(370)	(370)
Less: capital grant recycled	(360)	(360)	(122)	(122)
Total (deficit) /surplus on disposal	**(64)**	**(64)**	**683**	**683**

13. Housing and other properties used for social purposes

GROUP	Social Housing Properties £000	Nursing Homes £000	Crisis Houses £000	Day / Garden Centres £000	Total £000
Cost:					
At 1 April 2023	**24,035**	**1,160**	**2,793**	**951**	**28,939**
Additions: existing properties	1,401	-	74	-	1,475
Disposals during the year	(1,946)	(1,160)	-	-	(3,106)
At 31 March 2024	23,490	-	**2,867**	**951**	27,308
Depreciation:					
At 1 April 2023	**4,498**	**249**	**175**	**61**	**4,983**
Charge for the year	287	4	36	10	337
Disposals during the year	(335)	(253)	-	-	(588)
At 31 March 2024	**4,450**	**-**	**211**	**71**	**4,732**
Net Book Value					
At 31 March 2024	**19,040**	**-**	**2,656**	**880**	**22,576**
At 31 March 2023	**19,537**	**911**	**2,618**	**890**	**23,956**

COMPANY	Social Housing Properties £000	Nursing Homes £000	Crisis Houses £000	Day / Garden Centres £000	Total £000
Cost:					
At 1 April 2023	**21,358**	**1,160**	**2,801**	**951**	**26,270**
Additions: existing properties	1,207	-	74	- -	1,281
Disposals During the year	(1,946)	(1,160)	-	-	(3,106)
At 31 March 2024	**20,619**	**-**	**2,875**	**951**	**24,445**
Depreciation:					
At 1 April 2023	**4,116**	**249**	**174**	**61**	**4,600**
Charge for the year	287	4	36	10	337
Disposals During the year	(335)	(253)	-	-	(588)
At 31 March 2024	**4,068**	**-**	**210**	**71**	**4,349**
Net Book Value					
At 31 March 2024	**16,551**	**-**	**2,665**	**880**	**20,096**
At 31 March 2023	**17,242**	**911**	**2,627**	**890**	**21,670**

Housing and other properties used for social purposes at cost comprise:

Net book value	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Freehold	18,398	15,909	18,873	16,578
Long Leasehold	642	642	664	664
	19,040	**16,551**	**19,537**	**17,242**

14. Other tangible fixed assets

GROUP	Freehold Office Premises £000	Leasehold Office Premises £000	Motor Vehicles £000	Information Systems £000	Fixtures, Fittings & Equipment £000	Total £000
Cost						
At 1 April 2023	**2,578**	**985**	**15**	**5,136**	**1,073**	**9,787**
Additions in year	-	-	-	318	39	357
Disposals during the year	-	-	-	(7)	(117)	(124)
At 31 March 2024	**2,578**	**985**	**15**	**5,447**	**995**	**10,020**
Depreciation						
At 1 April 2023	**502**	**382**	**10**	**2,810**	**1,042**	**4,746**
Charge for the Year	20	8	3	421	44	496
Disposals during the year	-	-	-	(2)	(112)	(114)
At 31 March 2024	**522**	**390**	**13**	**3,229**	**974**	**5,128**
Net Book Value						
At 31 March 2024	**2,056**	**595**	**2**	**2,218**	**21**	**4,892**
At 31 March 2023	**2,076**	**603**	**5**	**2,326**	**31**	**5,041**

COMPANY	Freehold Office Premises £000	Leasehold Office Premises £000	Motor Vehicles £000	Information Systems £000	Fixtures, Fittings & Equipment £000	Total £000
Cost						
At 1 April 2023	**2,111**	**492**	**16**	**4,691**	**970**	**8,280**
Additions in year	-	-	-	280	39	319
Disposals during the year	-	-	-	(4)	(117)	(121)
At 31 March 2024	**2,111**	**492**	**16**	**4,967**	**892**	**8,478**
Depreciation						
At 1 April 2023	**375**	**71**	**11**	**2,581**	**873**	**3,911**
Charge for the year	17	5	3	390	43	458
Disposals	-	-	-	(2)	(112)	(114)
At 31 March 2024	**392**	**76**	**14**	**2,969**	**804**	**4,255**
Net Book Value						
At 31 March 2024	**1,719**	**416**	**2**	**1,998**	**88**	**4,223**
At 31 March 2023	**1,736**	**421**	**5**	**2,110**	**97**	**4,369**

15. Investment properties: non-social housing properties held for letting

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
At 1 April	1,183	1,183	-	-
Additions/Disposals	230	230	-	-
Increase/(Decrease) in value)	587	587	-	-
At 31 March	**2,000**	**2,000**	**-**	**-**

Investment properties were valued as at 31 March 2024. The Group's and company investment properties have been valued by Earl & Co Chartered Surveyors, professional external valuers. The full valuation of properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors as follows:

In valuing investment properties, the Market value approach was adopted subject to occupational agreements and normal market period of six to 12 months.

Investment properties are initially measured at cost, including any transaction costs. Investment properties are subsequently measured and included in the financial statements at fair value at each yearend. For the purpose of these financial statements, in order to avoid double counting, the fair value reported is reduced by carrying amount of any debtor balances resulting from the spreading of lease incentives. Any surplus or deficit on revaluation is recognised initially in the statement of comprehensive income. All revaluation movements are transferred to a non-distributable reserve called the Revaluation reserve unless a deficit below original cost, or its reversal, on an individual property is expected to be permanent in which case it remains in the profit and loss account as an impairment.

16. Inventories

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Consumables	203	203	173	171

17. Trade and other receivables

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Trade debtors	4,970	3,944	5,185	4,436
Less: Provision for bad debts	(1,045)	(1,043)	(1,005)	(1,003)
	3,925	**2,901**	**4,180**	**3,433**
Prepayments & accrued income	1,952	1,604	1,974	1,890
Amounts due from subsidiary undertaking	0	(0)	-	7
Other Debtors	12	10	19	16
	5,889	**4,515**	**6,173**	**5,346**

18. Current asset investments

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Investments listed on recognised stock exchange	4,035	4,035	3,772	3,772

Investments listed on a recognised stock exchange comprise Schroders' Charity Multi-asset fund and CCLA-COIF Charities Ethical Investment Fund (Income).

19. Creditors: Amounts falling due within one year

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Trade creditors	1,582	1,543	1,789	1,697
Other creditors	370	253	344	255
Accruals & deferred income	4,615	3,523	4,156	3,192
PAYE, taxes & social security costs	858	770	591	503
Social housing grants (Note 22)	72	72	86	86
Other government grants (Note 22)	14	14	14	14
Recycled Capital Grants Fund (RCGF) (Note 21)	696	696	477	477
	8,207	**6,871**	**7,457**	**6,224**

20. Creditors: Amounts falling due after more than one year

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Recycled Capital Grants Fund (Note 21)	1,116	1,116	1,115	1,115
Social housing grants (Note 22)	5,769	5,769	5,873	5,873
Other government grants (Note 22)	53	53	850	850
Total	**6,938**	**6,938**	**7,838**	**7,838**

21. Recycled capital grant fund – Group and Company

	2024 RSH £000	2023 RSH £000	2024 GLA £000	2023 GLA £000	2024 Total £000	2023 Total £000
Balance at 1 April 2023	872	470	-	344	872	814
Recycled on property disposal	360	395	720	720	1,080	1.115
Repayments	-	-	-	(347)	-	(347)
Drawdown	(207)	-	-	-	(207)	-
Interest	34	7	33	3	67	10
Balance at 31 March 2024	**1,059**	**872**	**753**	**720**	**1,812**	**1,592**
Amounts repayable within one year	696	477	-	-	696	477
Amounts due over 1 year	363	395	753	720	1,116	1,115
Total	**1,059**	**872**	**753**	**720**	**1,812**	**1,592**

22. Government grants

The government grants received to enable the Group to acquire properties for social purposes. Should the properties to which the grants relate cease to be used for social purposes the grants may be repayable in full. The total grants received by the Group in respect of owned property are as follows:

	2024 Group	2024 Company	2023 Group	2023 Company
	£000	£000	£000	£000
Grants credited to Income & Expenditure	2,274	2,274	3,137	3,137
Deferred grants (Notes 19 & 20) – Social Housing Grants	5,841	5,841	5,959	5,959
Deferred grants (Notes 19 & 20) – Other Government Grants	67	67	864	864
Total	**8,182**	**8,182**	**9,960**	**9,960**

23. Transfers between reserves

	2024 Group	2024 Company	2023 Group	2023 Company
	£000	£000	£000	£000
Movement in restricted funds				
Net income / (expenditure of restricted funds for the year)	590	(18)	1,360	413
Restricted reserves formerly held by CAN* and Croftlands Trust	(178)	(178)	(93)	(93)
Movement in restricted funds	412	(196)	1,267	320
Movement in revaluation reserve				
Net revaluation gain/(loss)	263	263	**(230)**	**(230)**
Movement in pension scheme reserve				
Net movement in recognised pension scheme asset	**5**	**5**	**3**	**3**
Total transfer from / (to) general fund	**680**	**72**	**1,040**	**93**

CAN is the County of Northampton Council on Addiction*

24. Restricted reserves

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Mental illness services to be provided in Cumbria (formerly held by Croftlands Trust)	1,683	1,683	1,707	1,707
Alcohol, drugs and gambling Services				
- Held by Aquarius Action Projects	6,258	-	5,650	-
- Other (Formally Known as CAN)	392	392	547	547
Legacies & Donations	396	396	413	413
Sundry	16	16	16	16
BIG Lottery	29	29	29	29
	8,774	**2,516**	**8,362**	**2,712**

During the year, we reclassified Employment services and Other small items as unrestricted reserves after a review of some the contracts. The review led us to conclude, the contractual conditions indicated they were inappropriately classified as restricted reserves in prior years.

25. Designated reserves

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Maintenance	**184**	**-**	**184**	**-**

No expenditure was allocated to maintenance fund in the year.

26. Other reserves

The general unrestricted fund represents the accumulated surpluses generated by the Group / Company since inception, to the extent that they are not represented by other reserves.

The revaluation reserve represents unrealised gains arising on revaluations of investments.

The pension reserve represents the recognised surplus on the assets of the Group's defined benefit pension scheme.

27. Other commitments

The Group holds housing accommodation, office premises and equipment on non-cancellable operating leases. The Group is expected to make the following future minimum lease payments under non-cancellable operating leases:

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Within one year	263	251	476	426
Two to five years	86	86	255	254
More than five years	304	303	466	466
	653	**640**	**1,197**	**1,146**

In addition to the above commitments, the Group also occupies various properties under licence. Although the licences can be cancelled with minimal notice by either party, it is expected that the majority of licences will continue. The expected payments under such licences for both the Group and the Company is estimated as being £2.5 million (2023; £2.1 million).

28. Accommodation in management

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

	2024		2023	
	Owned No.	Managed No.	Owned No.	Managed No.
Social Housing				
Supported Housing	226	316	234	372
Residential Care Homes	66	27	66	26
Total Units in Management	**292**	**343**	**300**	**398**
Crisis Homes	21	-	**21**	**-**
Market Rent	8	-	**-**	**-**
Total Social and Non-Social units Managed	321	343	**321**	**398**

29. Financial instruments

As at the year end, the Group's financial instruments were as follows:

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Financial assets held at fair value	4,035	4,035	3,772	3,772

Included in the Statement of Income and Expenditure are the following amounts:

	2024 Group £000	2024 Company £000	2023 Group £000	2023 Company £000
Interest income on financial assets held at amortised cost	894	647	327	241
Interest expense on financial liabilities held at cost	(67)	(67)	(10)	(10)
Income from assets held at fair value through profit and loss	1,041	797	156	156
Change in value of assets held at fair value through income and expenditure	850	850	(230)	(230)

30. Subsidiary undertaking

Richmond Fellowship has one subsidiary undertaking, Aquarius Action Projects ("Aquarius"), which is a registered charity (number 1014305) and a registered company (number 02427100) having its registered office at 236 Bristol Road, Birmingham, B5 7SL. Aquarius works with individuals, families, carers and professionals around issues of alcohol misuse, drug misuse, gambling and other behavioural problems.

Subsequent to the year end, legal control of Aquarius transferred to Humankind Charity (registered charity 515755, company number 01820492) on 1 June 2024 and Richmond Fellowship became wholly controlled by Humankind Chairty.

31. Related party transactions

During the year the following transactions took place between Richmond Fellowship and its subsidiary companies:

Overhead recharges from the charity to:	2024	2023
	£000	**£000**
To Aquarius Action Projects	325	297
From Aquarius Action Projects	(53)	(35)
Total	**272**	**262**

All transactions are charged at cost. Such costs are either direct or are apportioned based on estimated staff time. The total overheads subject to apportionment were £6,197k (2023: £6,154k).

32. Reconciliation of surplus for the year to net cash generated from operating activities

	2024	2023
	£0	**£0**
Surplus for the year	862	798
Movement on fair value of investments Properties	(587)	-
Movement on fair value of investments	(263)	230.00
(Surplus) on disposal of fixed assets	64.00	(683)
Net Interest (received)	(977)	(488)
Depreciation and impairment charges	827.00	886.00
Pension net service cost	8.00	11.00
Movement in debtors	283.00	248.00
Movement in creditors	(151)	68.00
Movement in inventories	(29)	(4)
Net cash inflow from operating activities	37	1,066

THE RICHMOND FELLOWSHIP

England & Wales - Charity number 200453

Accounts

RICHMOND FELLOWSHIP
MAKING RECOVERY REALITY

Annual Report and Financial Statements 2022-2023

RECOVERY FOCUS
an expert group of charities
inspiring recovery together

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RICHMOND FELLOWSHIP GROUP BOARD MEMBERS AND ADVISERS

BOARD MEMBERS

Non-Executive Directors

Helen Edwards	Chair
Ian Ayling	
Kapil Bakshi	
Albert Fletcher	*(resigned 31 March 2023)*
Maureen Hopcroft	
Susan Moore	*(appointed 1 April 2022)*
Paul Najsarek	*(appointed 1 April 2022)*
Danielle Oum	*(Appointed 30 May 2023)*
Rachel Perkins	
Alan Powell	Vice Chair *(resigned 31 March 2023)*
Carolyn Reagan	*(Appointed 30 May 2023)*
Jonathan Royle	

Executive Directors

Derek Caren	Group Chief Executive
Tracey Bell	Group Director of Performance, Quality & Innovation *(resigned 2 June 2023)*
June Riley	Executive Director, Finance and Corporate Services
Robert Templeton	Executive Director, Operations, Quality and Housing

SOLICITORS

Bates Wells & Braithwaite LLP (trading as Bates Wells)
10 Queen Street Place
London EC4R 1BE

BANKERS

Lloyds Bank Plc
4th Floor
25 Gresham Street
London EC2V 7HN

INDEPENDENT AUDITOR

CLA Evelyn Partners (formerly Nexia Smith and Williamson)
Statutory Auditors
Chartered Accountants
45 Gresham Street
London EC2V 7BG

REGISTERED OFFICE

80 Holloway Road
London N7 8JG

COMPANY REGISTRATION

00662712

CHARITY NUMBER

200453

REGISTERED PROVIDER OF SOCIAL HOUSING

H2025

WEBSITES

www.recoveryfocus.org.uk

www.richmondfellowship.org.uk

Introduction from the Chair of Recovery Focus

Thank you for reading our Annual Report which gives an account of our work during the year 2022-2023. This has been the third and final year of our "Growing Stronger Together" strategy, aimed at meeting the needs of the people we support, our staff and local communities. We are proud of what we have achieved in delivering the strategy, keeping the people we support firmly at the heart of everything we do.

Nevertheless, navigating the prevailing economic challenges has been tough. In the face of cost of living pressures and staff turnover we have prioritised our frontline staff, recognising that we will achieve nothing without them. We implemented the national living wage early and, through achieving savings elsewhere, made a competitive pay award. We also gave all staff a non-consolidated payment to help mitigate some of the effects of the cost-of-living crisis and made changes to the roles of our frontline leaders and their reward framework, recognising the vital role they play. We have had to adapt quickly to a changing recruitment market and to make the most of our key stakeholder relationships to help us to ensure that we have continued to deliver the safe, effective and high-quality services we take pride in. On behalf of the Board I would like to pay tribute to the resilience and commitment of all our staff in the face of difficult times.

We have also tried to increase the support we give our staff, improving our learning and development offer, mobilising strong technological support and looking after our premises so that they are safe, clean and well-maintained. Like many organisations, we are upping our game on environmental sustainability to play our part in moving towards net zero.

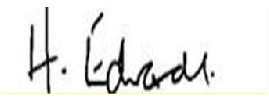
Co-production is key to what we do and is a distinctive element of our service offer. We have made good progress through the delivery of our Working Together Strategic Plan which brings together Board members, staff and people we support to oversee all aspects of the organisation's work. This approach has also informed the establishment of our new Communities of Practice which will be co-chaired by a frontline member of staff and a current or recent service user. The Communities of Practice will allow us to build expertise within our different operating models and to share experience across the country leading to more consistent approaches and higher quality overall. This exciting work is a key pillar of our new 23-26 Strategy and we are committed to seeing it flourish.

During the year, we supported almost 23.000 people and satisfaction rates reached 96% (up from 89% in 2022) with 94% of people feeling supported by our staff to achieve their personal goals. We are now using multiple feedback routes to monitor delivery which in turn feed into our continuous improvement plans. Our social enterprises continue to make a positive impact and our Aquarius Evolve Café successfully provided its services at the 2022 Commonwealth Games in Birmingham, increasing visibility for the excellent work it does.

Despite the significant economic pressures, we ended the year in a healthy financial situation, putting us in a strong position for the future. During the year, we divested some of our older properties and re-invested the proceeds into acquiring new buildings to expand our reach and deliver services in the right kind of environment. We are well placed to realise our strategic ambition of delivering consistently high quality services and supporting more people.

At Board level, after many years of service, we said goodbye to Albert Fletcher and Alan Powell who have contributed so much. We are delighted that we have now been joined by Carolyn Regan as Recovery Focus Vice-Chair and Danielle Oum as Chair of Aquarius and Recovery Focus Board member. I look forward to working with both of them in what will be my last months with Recovery Focus. I will hand over the role of Recovery Focus Chair on 1 October 2023 to Carolyn and I know she will be an excellent successor.

By the time you read this, we will have published our new 2023-26 Strategy: "Inspiring Individual Recovery," to set new strategic priorities for the next three years, building on the achievements of the recent past. I have thoroughly enjoyed my time with Recovery Focus and working with all the brilliant people who contribute to its' work. I am confident that I am leaving the Group in good hands with a great future ahead.



Helen Edwards
Chair

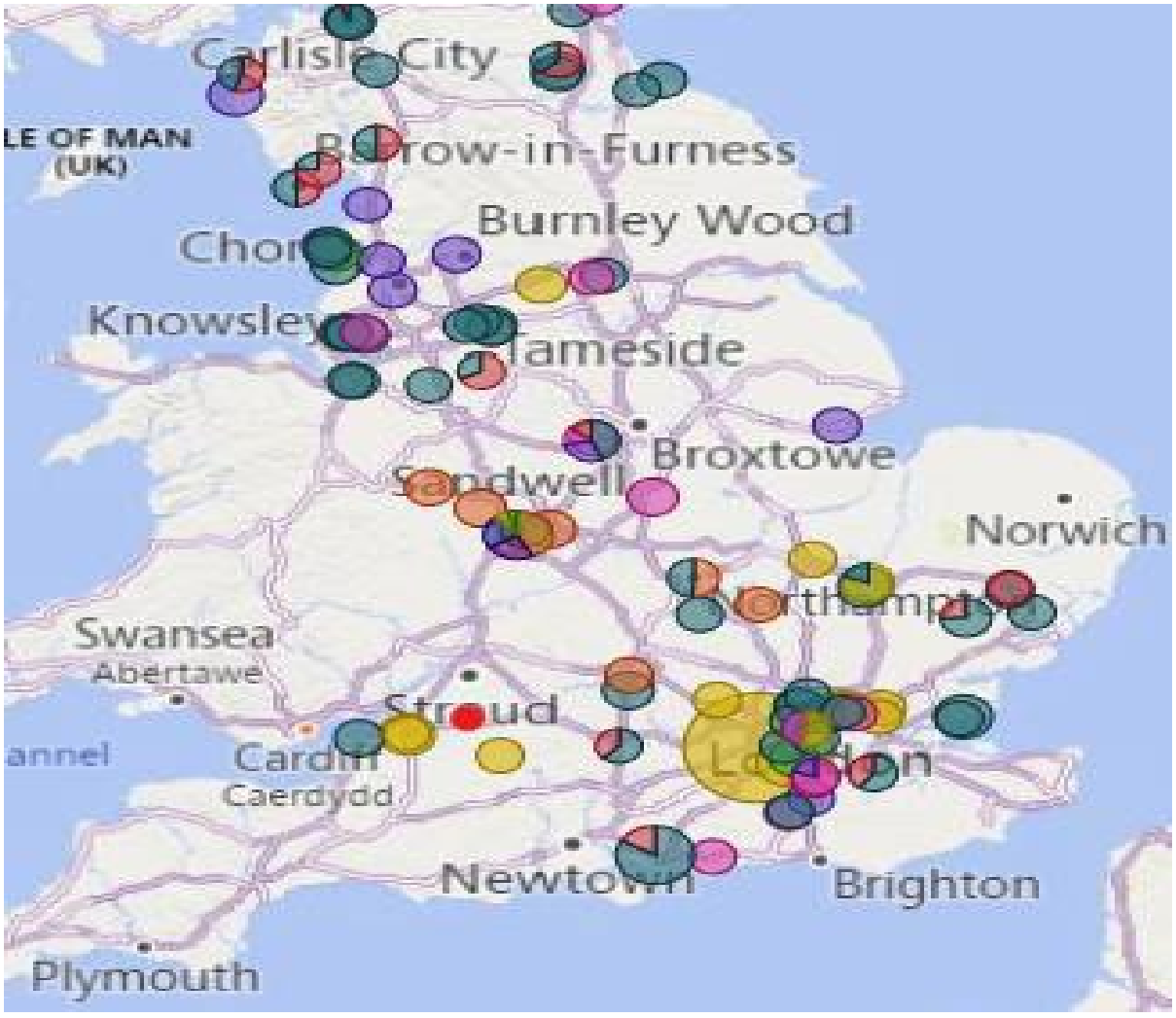
3 August 2023

REPORT OF THE BOARD

KEY HIGHLIGHTS

Across England we supported 22,905 people. This map shows more clearly the areas in which we operate and the range of different services we provide in each area.

We provided residential services from 255 owned properties, 372 managed homes, 66 beds in registered care homes and 26 beds in short-term crisis centres.



Our turnover was £46.3m (2022: £47.6m), Group surplus £0.37m (2022: £2.3m surplus), our net assets £43.1m (2022; £42.8m), and our unrestricted reserves £34.6m (2022: £35.7m)

At 31 March 2023, we were delivering 176 separately commissioned contracts for 116 separate commissioners (mainly NHS and local authority)

Our 2023 satisfaction rating was 96% with the number of people we support.

The Group Board presents its annual accounts for the year ended 31 March 2023. This report is prepared in compliance with the Charities Act 2011 and the Companies Act 2006.

Our Group continues to comprise Richmond Fellowship (RF) and Aquarius Action Projects (Aquarius) (together known as, "Recovery Focus"). RF and Aquarius are both registered charities and RF is also a registered provider of social housing.

As a Group our aim is to bring together expertise in the fields of mental health, addictions and domestic abuse. People accessing our services often have complex and multiple needs. One of the key advantages of being a Group is our ability to work together to create joined up solutions for such complexities. We routinely share lessons learned to ensure that the people we support across all services can have a tailored, co-produced personal recovery plan that can address all of their needs. All of our strategic priorities focus on delivering the best possible outcomes for people we support.

Going forward, we will continue to work with (and develop new) strategic partners to combine our expertise and deliver better outcomes for the people we support and together "do better business". We believe a collaborative approach is working increasingly effectively in the evolving care and support market where the pressures on commissioners and providers alike are inspiring everyone to respond more creatively.

2022-23 is the final year of our current three-year strategy entitled: "**Growing Stronger Together**". In the early part of 2023-24 we will be launching our new 2023-26 Group Strategy called: **"Inspiring Individual Recovery"**. Further details on this is set out later in this report.

OUR ACTIVITIES AND MODELS TO SUPPORT RECOVERY

As a Group we take pride in the expertise we can offer in providing specialist support services to individuals and families living with the effects of ill mental health, drug and alcohol use, gambling, and domestic abuse. We know that one size cannot fit all, and we pride ourselves on working with the people we support to create and support the achievement of a personalised plan that works for them. Whilst each service is unique, we specialise in a range of models to support recovery which sit within an operating sector.

The principal activities of our operating sectors' structure are as follows:

- Mental Health Support Crisis Services – our crisis services offer intensive, short-term support to help people manage a mental health crisis. Our services include residential crisis support and community-based safe havens.
- Mental Health Community Based Services – our community-based services support the recovery and resilience of people with mental health needs, delaying or reducing the need to access intensive services.
- Mental Health Employment Services - employment services focus on getting people into mainstream employment at a pace that is right for them and/or enabling people to retain their current job by facilitating a support package with their employer. Our services do not exclude people on the basis of diagnosis or supposed 'work readiness'; we support anyone who wants to gain or stay in work.
- Mental Health Floating Support Services - our floating support services work with people experiencing issues with their mental health in their own homes.
- Mental Health Residential Recovery Services our services provide accommodation and support to people with mental health conditions who may be at risk of repeat homelessness or would otherwise be accessing intensive NHS mental health, services.
- Social Enterprise - we run a range of social enterprises that not only provide an income stream but also employment opportunities, training, and development for the people we support.
- Domestic Abuse Services - our domestic abuse services work with survivors and perpetrators in a range of services including peer support, domestic abuse assessments, and perpetrator programmes.
- Drug and Alcohol Services - our services provide support to those impacted by drink, drug and gambling addictions. Our services are based on the idea that behaviour is learned and maintained in the context of each person's whole life - the family, employment, housing, biology, cultural backgrounds and other personal social challenges.
- Gambling Services - we provide support, information, and advice to anyone affected by gambling, providing specialist services tailored to young people, adults and their family or friends.

Our Group Strategy, Corporate Plan and Business Models

We have now completed the final year of our Group Strategy ***Growing Stronger Together*** which has the primary goal of *Inspiring Recovery* through the strengthening of the quality and range of our services. To deliver this aim we identified five key enablers which are:

- put people we support at the heart of everything we do.
- build an effective and motivated workforce.
- secure and maintain stable finances.
- develop an efficient and effective infrastructure.
- build our evidence and demonstrate our impact.

Delivery of these were underpinned by Strategic Enabling Plans which aimed to deliver each of the outcomes we set ourselves to achieve under each of the five themes. Board Committees were charged with the oversight of the progress against these plans to build a stronger and more effective Group. Our key targets for delivery in the final year of the Group Strategy were drawn together in the Corporate Plan 2021-22.

The Covid-19 pandemic had an enormous impact on people's wellbeing, and this further challenged us to think deeply about how we could continue to help people in unprecedented times. This year the cost-of-living issues added to existing pressures impacting on the lives of the people we support and our staff. We believe that recovery is possible for everyone, regardless of the challenges they face, and this informs everything we do. We are proud of what was achieved over the course of the strategy; our committed staff, volunteers and peers worked tirelessly over this period and throughout the pandemic to keep people safe. Some people were very strongly affected by what happened, and keeping our people safe and ensuring they feel supported has become even more of a priority.

The year was devoted to supporting our services where we could continue to learn from initiatives which had a strong impact on the well-being of the people we support and therefore could be integrated into the delivery model for that service (and potentially others). We focused on helping the people we support to find a framework for regaining their freedoms.

Risk due to staff turnover within our organisation rose significantly this year and pressures on services were closely monitored. We speak regularly with commissioners to ensure they are clearly aware of our current resourcing position and how we are managing this risk.

Besides our delivery programme for the 2020-23 Group Strategy and our ongoing continuous improvement plans, we have made several significant achievements which included:

- continue to grow and nurture the number of roles within our organisation for people with lived experience (including apprenticeships). This really benefits our person-centred approach and our co-production ethos which increasingly now touches every activity we deliver.
- all services participating in an Annual Self-Assessment process, to review performance against commissioner goals, local risks, and improvement plans for the coming year. This is central to our local focus and each of these plans is co-produced, across all service sectors.
- an expansion of our ability to gather and analyse ongoing feedback data to create a body of evidence around the effectiveness of services and areas that require further action.
- developing a more flexible workforce and empowering our staff to work in new ways. We are using innovation and better technology to adapt how we deliver and make sure we have the evidence to show this is far more effective in terms of improved outcomes.
- continuing a positive dialogue with staff council and Unite, our recognised union, to share our challenges and work through them collaboratively.
- overhauling learning management to deliver a far more consistent approach to training and awareness campaigns.
- significantly strengthened financial controls frameworks to allow devolved management but at the same time ensure weaknesses that will potentially lead to fraud cannot occur. This streamlining of processes prepares us well for the future and simplifies accounting. Our cash, net margin, reserves and new business targets are also firmly on track.
- working ever more closely with our key commissioning partners to build our relationships and help them to evolve for mutual benefit in both Richmond Fellowship and Aquarius.

- we have rolled out our digital dashboard enhancing our services to get better, faster data to a more granular level to enable local management to closely monitor its areas for improvements. This will also help us to better evidence progress made by people we support.
- we have invested heavily in technology achieving Cyber essentials plus, with the commitment that Information and Computer Technology (ICT) plays a big part in our future and will continue to be given strategic priority to ensure we are well equipped and sufficiently modernised to better deliver our services for the future.
- we have invested heavily and our properties ensuring they are safe and fit for purpose.
- we have embarked on a comprehensive programme of transformation with a clear goal of directing more money to the front line where we know it can make the most difference.

Strategy 2023 - 2026

Our new 2023-26 Group Strategy ***Inspiring Recovery Together*** sets out our vision for providing even more effective and meaningful support designed to ensure that everyone can achieve a life they value. Although we are proud of the achievements attained over the course of the previous strategy, we are aware there is still more work to do to broaden the impact of our work in the communities where we operate. As a group of charities, we must do all we can to adapt and change, as well as continuing to innovate and drive efficiencies so that we work together with the people we support to facilitate sustainable outcomes.

We aim to enhance our services and build strong partnerships, using evidence-based practices and pioneering new approaches to recovery. We will do this in a holistic and person-centred way and continue to empower people with lived experience to play an active role in shaping our work and supporting others on their own path to recovery. Through this strategy, we will continue to focus on improving the lives of those we support, putting their needs, aspirations and hopes for the future at the centre of what we do.

Our strategic priorities	What success looks like
Quality Services: We'll deliver and develop quality services everyone can be proud of.	• People get the support they need when they need it. • People are safe. • People achieve their goals and move on in a planned way. • Everyone has a home, the opportunity to work and friends they can rely on. • People get the same support worker throughout the time they are supported, if that is what they choose. • Staff will be equipped with the skills, knowledge, and expertise to deliver quality services.
Working Together: We'll put people at the heart of everything we do.	• Working Together Strategic Plan, Charter Mark and Tenant's Charter in place to deliver key milestones. • Health inequalities in service delivery are addressed. • Communities of practice deliver measurable improvements in each operating sector. • Mechanisms in place to support people with lived experience to be recruited, retained and achieve progress. • Sustained positive feedback on the satisfaction of people we support.
Reach: We'll strengthen our presence and partnerships in the places we operate.	• More people will be reached in the places we operate. • The strategic partnerships we develop will add value and be effective. • Our operating models will meet local needs, demonstrating best practice. • Our services will be embedded within local health and social care systems. • We'll deliver long term solutions to local needs. • People will know who Recovery Focus is, what we do and what we stand for.
Sustainability: We'll ensure the sustainability of the Recovery Focus Group.	• Stabilised staffing and improved recruitment fill rates across the organisation. • An established system of fair, affordable pay forming part of a strategy to making working at RF a viable, respected, and sustainable career choice.

	• Refreshed management structures at affordable levels prompting a culture of people focused cooperation around a 'One Team Approach'. • Improved feedback from our Investors in People assessments.
Impact: We'll ensure our services provide personal and social impact.	• Our data capture mechanisms will be used consistently across services to clearly demonstrate the effectiveness of our interventions. • We'll report on the impact of each of our operating sectors. • Consistent positive feedback from commissioner surveys • We'll be demonstrably integral to provider and strategic networks. • We'll be known as market leaders in our sectors.

REVIEW OF THE YEAR AND KEY PERFORMANCE INDICATORS

The financial year 2022-23 presented a mixed performance for the Group. Our turnover decreased to £46.3m from £47.6m in the previous year, primarily due to reduced rental income as contracts changed. Although contract income declined by £1.2m overall, there was a notable increase in demand for community-based projects such as employment services, crisis housing, and drug and alcohol support. Our operating surplus ended the year at £0.5m compared to £1.9m the previous year, and the decline was largely attributed to external challenges such as inflationary cost increases, energy price increases and wage inflation, which face the sector.

We were challenged with high staff vacancies and had difficulty retaining staff as we found ourselves competing with businesses outside of the sector, as a result we saw our recruitment costs and agency cost increase as we aimed to retain quality services to the people we support. We became an early adopters of the National Living Wage pay and paid all our staff a one-off cost of living payment to support them as inflation and energy cost continued to increase.

We achieved a 27% reduction in voids compared to the previous year but saw referrals decreasing in certain areas. There was a significant growth in some of our community-based services like Crisis and Step-Down Services providing alternative places of safety, care, and support for individuals.

We remain committed to addressing these challenges and maximizing performance in the upcoming year as new contracts currently being mobilised are fully implemented.

People we support to achieve their recovery outcomes.

In 2022-23, 22,905 people were supported in their personal recovery by our services (2021/22; 21,258), each with a personalised care plan. The full breakdown of activity within the Group over the past year is as follows:

	2022/23 Number	2021/22 Number
Social housing provision:		
In supported housing	929	1,018
In registered care homes	141	150
Non-social housing accommodation:		
Care home with nursing	-	-
Crisis	1,574	1,543
Non-accommodation services:		
Crisis Haven	2,027	2,201
Employment related	2,435	2,440
Floating/community	5,648	5,479
Domestic abuse	1,808	1,163
Substance use/gambling	8,343	7,264
TOTAL CLIENT ACTIVITY FOR THE YEAR	**22,905**	**21,258**

We monitor a range of indicators amongst which include:

Activity indicators	2023	2022	2021
Number of CQC registered services not meeting all core standards	0	0	0
Referral to treatment time of >3 weeks for treatment services	1.7%	1.4%	0.7%
Satisfaction indicators			
Clients surveyed who felt involved in planning their individual support	92%	92%	90%
% of clients with positive or stabilised scores in their recovery journey outcomes	90%	91%	92%
% of client exits planned – Richmond Fellowship services	87%	92%	90%
% of client exits planned – Aquarius services	68%	72%	72%
% of clients satisfied with the quality of their service	96%	89%	90%
% of residential clients (Richmond Fellowship only) satisfied with the quality of their accommodation	74%	77%	75%

These key indicators have shown remarkable consistency at a time when the environment remained uncertain. This is a tribute to our front-line staff who work so hard to support the people we support to achieve their recovery goals. Our indicators benchmark well against national metrics and our drive for continuous improvement will continue to underpin core satisfaction with our services on a more granular level to ensure we are delivering for each model of recovery.

Satisfaction

In December 2022, we conducted our Annual Satisfaction Survey with the individuals we support across our services. The response rate was reasonable (up on last year but down on target) compared to previous years but we continue to move forward at pace to conduct surveys on an ongoing basis which allows more focus on immediate feedback and actions from issues raised in a similar way to the NHS. Exit surveys are mirrored in longer-term services by pulse surveys to track satisfaction trends continuously.

Overall satisfaction score saw an increase to 96% (2022; 89%) and most respondents, 94% (2022; 92%), affirmed that the support they received had improved their lives. The number of respondents actively involved in the planning of their personal support remained at 92% (2022; 92%). Service-level scores are shared with local management, forming the basis for quality improvement plans in the upcoming year, known as Quality Self-Assessments, which build on feedback to target specific areas for local improvement.

Simultaneously, we continue to develop our dashboard framework at local level to allow Service Managers to access real-time information across all our systems within the Group, enabling us to compare and contrast results across different sectors. This analytical capability will facilitate the development of improvement plans that prioritize local operational performance and raise overall consistency and quality standards, moving away from an average-focused approach. Empowering local management through this self-service approach will drive continuous improvement from the ground up. Furthermore, it will provide the Leadership Team and the Board with detailed information to better support teams in making adjustments that benefit services, both in terms of quality and financial data.

FINANCIAL REVIEW AND FIVE-YEAR SUMMARY

Financial performance in the year

The care and support sector faced numerous challenges which significantly impacted our operations and performance throughout the financial year. Some of these challenges included inflation, increased cost of living, labour shortages, and economic turbulence. As a result, the Group reported a surplus of £0.37m for the full year, a decrease compared to £2.28m in 2022. This represents a reduced return on income of 0.8% in 2022, down from 4.8% in the previous year.

The Group turnover decreased by 2.7% to £46.29m in 2023 (2022; £47.56m). This year we strategically withdrew from a small number of contracts we felt no longer met our quality standards for service provision and how we deliver care. We are also seeing the impact of contracts we are mobilising in the current year, where we will not see the financial benefit until the following financial year.

Voids continue to be challenging, although losses were 27% lower than the previous year. Rental income from housing lettings decreased by 11% to £7.32m although this includes a provision of £0.43m made for the repayment of rent overpaid compared to the rent standard formula, in 2020/21 and 2021/22. An element of this is non-recurrent but the weekly rental charges have reduced overall. We are currently working through the refunds to each relevant Local Authority Housing Benefit team.

Our operating costs increased at a higher rate than income resulting in an operating loss of £0.14m (2022; £1.79m surplus). Wage inflation, energy price rises, buildings construction and maintenance costs and food costs in our care homes are just a few of the inflationary cost increases we have incurred. Our response to the cost-of-living crisis for our staff was to award a one-off cost of living lump-sum payment. In parallel we continue with our Transformation Plan to restructure overheads to refocus funding to the frontline and although this involves in-year investment, there will be benefits in future years. We also upgraded our information and communications technology infrastructure and security, attaining Cyber Essential Plus and successfully completed the NHS Information Toolkit. We have also continued to invest in our properties, substantially modernising them and making our homes as safe and comfortable as possible.

As part of ongoing evaluation of our property portfolio and offering, we sold three properties as they became vacant at the end of their contracts yielding a surplus on disposal of £0.68m (2022; £0.15m). We also acquired an additional two properties in year, one of which was purchased to support an initiative within the Aquarius subsidiary called, ‘Aquarius Homes’. The Aquarius properties (two in total) will be used to provide homes for young people supported by our services who need settled accommodation in the community. These acquisitions contributed towards an increased group net asset portfolio of £43.05m (2022; £42.79m).

The surplus for the year was adversely affected by the fair value movement of our investments seeing a reduction of £0.23m due to economic turbulence outside of our control. The external markets also affected the actuarial pension obligations. Richmond Fellowship is the sole employer of the 2Care Pension and Life Assurance Scheme and the net value of the pension scheme reserve decreased by £0.43m. The future liabilities of the Scheme are not reflected in these statements but the impact of inflation is also a reduction so the Scheme remains substantially strong and healthy.

Our cash balance increased from £17.17m to £19.17m, which comfortably meets our obligations and provides a strong position to support a long-term sustainable future. The Group’s reserves remain strong at £43.05m (2022; £42.79m). The table below shows key financial indicators for the past five years.

Financial highlights in £'000	2023	2022	2021	2020	2019*
Statement of comprehensive income					
Rental income and service charges	7,323	8,200	8,713	8,577	26,261
Non-rental income	38,973	39,361	36,849	37,685	20,386
Total revenue	**46,296**	**47,561**	**45,562**	**46,262**	**46,647**
Operating cost	(46,439)	(45,774)	(44,910)	(47,089)	(48,247)
Core operating surplus	**(143)**	**1,787**	**652**	**(827)**	**(1,600)**
Surplus on disposals	683	151	433	-	1,929
Operating surplus	**540**	**1,938**	**1,085**	**(827)**	**329**
Net interest & investment income/(loss)	258	352	786	(79)	282
Actuarial (Loss)/Gain on pensions obligations	(425)	(2)	109	(291)	21
Surplus for the year	**373**	**2,288**	**1,980**	**(1,197)**	**632**

** 2019 rental revenues have not been restated to reflect recent re-analysis of this income source*

Group Cash & Cash Equivalents	2023	2022	2021	2020	2019*
Opening Cash balance	17,167	13,946	11,184	9,316	13,198
Net Cash from operating activities	1,199	3,221	2,762	1,868	(3,882)
Closing Cash balance	**19,166**	**17,167**	**13,946**	**11,184**	**9,316**
Statement of Financial Position	2023	2022	2021	2020	2019*
Non-current assets	29,059	30,267	30,304	30,222	30,944
Current assets	29,284	27,759	24,330	21,214	22,363
Current liabilities	(7,457)	(7,516)	(6,283)	(4,609)	(4,704)
Long-term creditors	(7,838)	(7,712)	(7,830)	(8,286)	(8,865)
Net assets	**43,048**	**42,798**	**40,521**	**38,541**	**39,738**
Restricted funds	8,362	7,095	7,931	7,789	7,758
Unrestricted reserve	34,624	35,219	32,052	30,304	31,228
Pension reserve	62	484	538	448	752
Total reserves	**43,048**	**42,798**	**40,521**	**38,541**	**39,738**
Financial Statistics	2023	2022	2021	2020	2019*
Surplus for the year as % of turnover	0.8%	4.8%	4.3%	(2.6%)	1.4%
Operating margin	1.2%	4.1%	2.4%	(1.8%)	0.7%
Operating cost as % of revenue	100.3%	96.2%	98.6%	101.8%	103.4%
Operating surplus (before overheads)**	6,694	8,701	7,447	6,400	5,700
Contribution Margin (before overheads)	14.5%	18.3%	16.3%	13.8%	12.2%
Capital Investments	597	1,424	2,014	1,300	3,500
Capital investment (as % of opening cash balance)	3.5%	10.2%	18.0%	14.0%	26.5%
Cash & investments as % of Net Assets	53.3%	49.5%	43.8%	37.2%	32.2%

***This represents turnover less operating expenditure before overheads*

PRINCIPAL BUSINESS RISKS AND UNCERTAINTIES

The group leadership team (GLT) takes complete responsibility for the risk review process and ensures regular updates to the audit and assurance committees (AAC) of the Board on a quarterly basis, providing essential oversight.

The risk review process comprises the following key elements:

- Group risk register: This register identifies risks and their inter-relationships while aligning closely with our strategic priorities. It emphasizes the direction of risk and outlines actions to address controllable risks, as well as adapt our frameworks to manage the effects of less controllable risks.

- Operational and functional risk registers: These registers support the corporate register and allow reporting of emerging risks. We actively manage risks on a day-to-day basis by fostering a strong risk culture.
- Mapping controls and assurances: We clearly establish the dependency between our first-, second-, and third-line controls, utilising them effectively in our risk management approach.

In conducting these risk reviews, our internal auditors play a crucial role, collaborating with us to provide consistent and thorough assurance across all governance structures. Their support enhances the effectiveness and integrity of our risk management practices.

Like most in the sector our principal resource risk continues to be enduring high levels of staff turnover and its resultant impact on the continuity of service and morale. Recruitment in the sector remains tough, with a strong continued interest in working in social care, being negated by the cost-of-living pressures and therefore a desire to seek a role which is better paid. We are working with commissioners to see what can be done to ensure that the social care sector remains an attractive sector to work in but this remains challenging. The People Committee, reporting to the Group Board and the Aquarius Board maintains a close oversight of this risk.

Staff turnover and its impact on service delivery is closely monitored to ensure we deliver safe and effective services. The goodwill of our staff, drawn from helping people in acute need and furthering our charitable objectives, is to be commended. We know that recovery is linked to continuity of service and support and giving the people we support the best possible chance of recovery is our priority and so management are focussed on ensuring this is possible.

We continue to drive value for money initiatives (detailed elsewhere within this report) to ensure that as much resource as possible is channelled to providing a fair wage for our frontline staff. We invest in our properties and ICT to make sure people we support and our staff have a good environment and the right tools to receive and deliver services. This approach is feeding a 3-Year Financial Plan which underpins our medium-term to ensure we remain sustainably viable whilst improving our assets.

As the demand and service models evolve, we recognise the importance of adapting to measure our impact and provide evidence for the effectiveness of our goals in inspiring individual recovery. We are leveraging information more effectively and collaborating with external partners to validate the efficacy of our models. Embracing these changes and enabling staff to track progress effectively while capturing information meaningfully are vital components of our future strategy. These exciting developments are key to achieving our goals in the evolving landscape.

COMPLIANCE WITH OUR STATUTORY DUTIES UNDER SECTION 172 OF THE COMPANIES ACT

The Directors of Richmond Fellowship always adhere to acting in a way that they consider, in good faith, will be most likely to promote the success of the company for the benefit of the people we support in the long term (as well as the immediate needs of our current beneficiaries). To do this we pay regard to:

(a) the likely impact and consequences of all our decisions in the immediate and long term, with social and financial returns clearly spelled out alongside the wider impact assessments.

(b) the interests of all of our stakeholders, through working closely with, and listening to, issues flagged by the people we support, our staff (including volunteers), our commissioners, regulators and all of our suppliers and customers, taking seriously all feedback we receive to help us to deliver on this commitment.

(c) clearly understanding the impact of our services and their delivery, whilst continuing to provide value for money services, on our local and wider communities and the environment generally; and,

(d) conducting our business to a high standard, which is reflected in how our staff approach their work and in our expectations of our partners and providers to ensure this ethos permeates every aspect of our delivery.

Examples of how we have conducted our operations in this way over the past year are referenced throughout this report, together with relevant targeted improvement plans.

DIRECTORS REPORT

FINANCIAL RISK MANAGEMENT

We proactively seek to minimise our exposure to risk wherever possible. A potentially significant risk is the credit risk from bank balances. We also face market risk from listed investments and liquidity risk from our trade debtors. Trade debt remained challenging during the pandemic and remained so due to the effects of increased cost of living crisis. We have had to find new ways of working, but with close management scrutiny and clear accountability, we have managed to keep a very firm grasp on this area. Much of our trade debt by value is due from the government in one form or another, so ultimately the risk of debtors defaulting is not considered to be significant.

The Group has a treasury policy that underpins how our liquid resources are managed. The policy includes liquidity limits, security of investments and approved counterparty ratings. It is regularly monitored by the Board and reviewed in consultation with our treasury advisers. Investments are split between the Cazenove Charity multi-asset fund and CCLA-COIF's ethical fund (relatively low risk funds), both portfolios engaging only with opportunities which can demonstrate high ethical standards. Investment managers present regularly to our Business and Finance Committee to ensure that the evidence of these standards is robust.

We remain free of loan financing and as such, covenants, gearing and securitisation are not a risk for us.

We continue to pursue a strategic use of our reserves as rates of return for cash balances are now improving. The returns achievable under this strategy are a more beneficial use of reserves.

POST BALANCE SHEET

There are no post-balance sheet events to disclose other than two new additions to the RF Group Board: Carolyn Regan (joined 1 April 2023 as Vice Chair, Chair-Elect) and Danielle Oum (joined 30 May 2023 as RF Group Board Member and Chair of the Aquarius Board).

OUR PEOPLE

Our People Strategic Plan plays a vital role in the implementation of our Group Strategy and we have made significant progress during the year towards achieving our key objectives outlined in that plan.

Our dedicated staff members are integral to our operations and the long-term success of our organisation. We are actively working with our staff to develop a new and more equitable pay and reward system, with the overarching goal of aligning with market medians in our pay strategy.

We are committed to promoting consistency across our services, granting greater autonomy to local management, and enhancing the involvement of peer support workers and volunteers within our services. Their valuable contributions, along with our efforts to recruit individuals with lived experience, enable our staff to provide even better support to individuals on their recovery journeys. In collaboration with commissioners, we are expanding our service offerings across all our recovery models using this approach.

Richmond Fellowship has a well-established trade union recognition agreement with Unite, and a Joint Negotiation Committee (JNC) has been formally constituted to address matters related to pay, both contractual and non-contractual. Furthermore, both Richmond Fellowship and Aquarius have active Staff Councils that meet quarterly to address key issues pertaining to our operations and their impact on staff productivity. Reports from these meetings undergo review by the People Committee of the Group Board and the Aquarius Board.

Throughout the year, we have focused on specific indicators of progress. The table below provides a snapshot of the position as of 31st March for each respective year.

Activity indicators (annualised)	2023	2022	2021
% of days lost arising from sickness	3.1%	3.9%	2.4%
% of voluntary turnover in the past 12 months	34%	37%	21%
% of workforce from BAME backgrounds compared to client %	+1.0%	+3.3%	+1.5%
Client satisfaction indicators			
Client feels staff treat them with dignity and respect	95%	96%	95%
Client feels keyworker listens to client's views and acts on them	94%	94%	94%

Client feels supported by staff to achieve plan goals	94%	93%	93%

The following staff data were taken from surveys conducted in December 2022 and representative of the group's workforce at 31 March 2023:

- 71.8% female (70.8% in Richmond Fellowship and 76.5% in Aquarius). As at 1 June 2023, 20% of the Group Leadership Team and 54% of the Richmond Fellowship Board are female.
- 19.0% of the Group's workforce self-classify their ethnicity other than white (21.6% in Richmond Fellowship and 12.5% in Aquarius) – the equivalent data for the Group Leadership Team and Board is 20% and 31% respectively.
- 10.0% of staff consider they have a disability (11.4% in Richmond Fellowship and 7.5% in Aquarius);
- 10% of the Group's workforce is under 25 (11% in Richmond Fellowship and 5% in Aquarius); 46% of the Group's workforce is aged 25-44 (42% in Richmond Fellowship and 53% in Aquarius); 44% of the Group's workforce is over 45 (47% in Richmond Fellowship and 42% in Aquarius).
- 10.5% of staff consider they have lived experience of the issues that our services currently support (ranging across mental health, substance use, gambling and domestic abuse). This breaks down to 11.1% in Richmond Fellowship and 12.5% in Aquarius.

We are continuously working with our cross-functional project group to develop and review our people action plans with the aim of enhancing Equalities, Diversity, and Inclusion across the organization. Our primary objective is to ensure that our organisation is truly representative of the individuals we support and the communities in which we provide services. To achieve this, we are actively working on refining our Impact Assessment process. The goal is to ensure that individuals from all backgrounds have equal opportunities for well-being and the attainment of recovery goals, regardless of their personal characteristics.

As of March 31, 2023, our services have been supported by a dedicated group of 143 volunteers (186 in 2022) throughout the organisation. Out of these, 19 volunteers are associated with Aquarius, while Richmond Fellowship benefited from the support of 124 volunteers. Our overarching goal is to expand our volunteer network further, as they play a crucial role in assisting our staff and improving the quality of life for those we serve.

Over the past year, our volunteers have made a significant impact, contributing an average of 1,439 hours of support monthly. We are committed to recognising and leveraging the untapped potential that volunteers bring to our service delivery. By continuing to harness their skills and dedication, we can enhance our ability to make positive changes in the lives of those we support.

DIVERSITY, EQUALITIES and SOCIAL RESPONSIBILITY

We are committed to social inclusion, which is a vital part of our aim to reduce stigma faced by the people we support. It is important to us that our organisation reflects and celebrates the diversity of the communities we serve, and our commitment is a golden thread through our organisational culture, as well as our key strategies, policies and processes. Our workforce is a very strong reflection of the diversity of the people we support, and we measure this closely to be sure of the balance.

In the year, both Richmond Fellowship and Aquarius continued to work on the action plans arising from the Investors in People reaccreditations in 2021-22. Some of this work may need to be recalibrated in line with our new strategic priorities for 2023-26 but our people focus remains a strong commitment.

We believe that inclusion and social responsibility is a dynamic goal which requires constant monitoring, clear leadership and strong training and awareness programmes. Senior leadership have looked during the year at more closely defining our cultural identity and we are currently in the process of re-evaluating our business plans across the organisation to ensure that our values and the areas of significant cultural importance to us, are front and centre of the work every team is engaged in.

Our training programmes, which underpin our ethos, but also deliver safe and effective services on the frontline, are delivered through a variety of routes via our main Workday system, so we can track individual development and ensure our people have the skills and knowledge to deliver their roles. Our training and awareness programmes extend to board members, staff, peer support workers and volunteers, and other delivery partners without whom we cannot effectively support those people using our services.

Through social enterprise, we can directly engage with communities where our services are located, supporting the integration of those who are part of our social enterprise services into local communities. The

social enterprises have been particularly affected by the impact of the cost of living crisis which has resulted in a slower recovery from the pandemic than expected. The social return on these services remains high and we are committed to help these services??activities? back on their way to recovery by making adjustments to ensure they retain sustainable long-term business models. Of particular note is our award-winning Old Moat garden centre in Surrey, supporting a significant number of people, and also the Aquarius Evolve service which delivered coffee shop and conference spaces for the 2022 Commonwealth Games in Birmingham.

The physical and emotional well-being of the people we support, and our workforce, remains a firm commitment and one that has never been more needed in these harsh economic times. We are supporting the establishment of special interest groups across the workforce, covering well-being, lived experience, LGBTQ+, ethnic minorities and disability to support us in our drive to ensure we can champion recovery for all people we support, no matter what their background or personal characteristics might be.

ENVIRONMENT

We are committed to enhancing our environmental awareness and minimizing the ecological footprint of our business. We prioritise sustainable practices that will positively impact our environment, both in the present and for future generations.

Since 2012, Aquarius has proudly maintained ISO 14001 certification, demonstrating our adherence to the Environmental Management Standard. In the upcoming year, we are excited to update our Estates Plan across the Group, which will seamlessly integrate our environmental goals into our compliance and investment frameworks for renovating our premises infrastructure.

To gauge our energy consumption and identify areas for improvement, we conducted an extensive analysis of 12 months' worth of consumption data for most of our premises. This data allowed us to extrapolate consumption profiles across our entire portfolio. Based on these calculations for the financial year 2022-23, our estimated total consumption stands at 5.9 million kWh, with 4.4 million kWh attributed to fossil fuels. This translates to approximately 0.8 million kg CO2 emissions from natural gas usage and 0.3 million kg CO2 emissions from electricity usage, including transmission. These estimations were derived using the relevant kWh to CO2 conversion rates for 2023.

To actively address our energy usage and unlock potential savings, we have collaborated with expert advisors to identify sites with substantial energy consumption. Through targeted initiatives such as transitioning our lighting systems to LED and introducing automated energy efficiency features, including heating controls and boiler upgrades, we can significantly reduce our energy footprint. As part of the planned Property Plan review, we will strategically prioritise investments (where possible) to maximise our impact in this area.

To further reduce our environmental impact, we recognize the importance of monitoring water consumption and waste more consistently. Consequently, we are actively working towards implementing routine monitoring processes to align with our environmental objectives. Furthermore, we remain dedicated to sourcing sustainable products and services throughout our supply chain. In the upcoming year, we will explore additional procurement avenues to enhance our sustainability efforts.

The Ggroup is steadfast in its commitment to environmental stewardship. By continuously improving our practices and adopting environmentally friendly solutions, we strive to lead by example and make a positive difference in the world around us.

FUNDRAISING

As a Group we do not currently engage in unsolicited direct fund-raising – either to specific supporters or the general public. Occasionally, of their own volition, individuals who have been affected by services provided by the Group engage in a sponsored activity and donate their proceeds to a service or partner within the Group. When approached in advance, we support such gestures by providing charity-branded materials.

The Group does not participate in any voluntary regulation schemes for fund-raising. It does not use commercial participators or professional fundraisers, pursues no organisation-wide fund-raising programmes, has received no complaints regarding fund-raising in the year and did not actively monitor individuals who independently raised funds for the Group.

LEGAL STRUCTURE AND GOVERNANCE

The legal structure of the Group throughout the year has remained as Richmond Fellowship acting as parent of a single, wholly controlled charitable subsidiary, Aquarius Action Projects (known as Aquarius).

Richmond Fellowship’s objects as they appear in the Articles are:

- *to provide a home and community life for the Fellowship's Beneficiaries;*
- *to provide care, assistance and treatment to the Fellowship's Beneficiaries;*
- *to advance the education of the public in all aspects of the treatment and care of the Fellowship's Beneficiaries; and*
- *to advance other exclusively charitable purposes*

For 2022-23 the Group Board has been a unitary board comprising up to five executive directors and up to ten non-executive directors. For any vote, the number of non-executives present must exceed executives. The Group Board has agreed that this will change in 2023-24 to include only the Group Chief Executive.

New Group Board directors are recruited in accordance with specific provisions in the Richmond Fellowship Articles and are taken through a tailored induction on joining. This induction process includes service visits (which non-executives do on a rolling basis). Group Board members are, on an on-going basis, provided with both general and tailored training support, identified from regular appraisal and review discussions.

The Group has standing orders and a schedule of delegations in place to underpin the Articles. A Procedure Agreement is in place between parent and subsidiary. This sets out the respective duties, delegations and responsibilities of the Group and Partner (Subsidiary) Boards in the governance of the subsidiary.

We again undertook a significant overhaul of policy, practice and learning (both internal and in the wider sector) in relation to our service delivery and duty of care obligations. This has included refreshing our approaches to safeguarding, risk, environmental responsibilities, equalities, diversity and inclusion, information governance, data security, whistleblowing and fraud, as well as updating our statement to remain ever vigilant group-wide, against Human Trafficking and Modern Slavery. Our policies are mostly written for the Group with local related procedures to deliver these policies in different settings, according to the model to support recovery they are delivering.

REGULATION AND COMPLIANCE

The Group complies with the requirements of the Regulator of Social Housing (RSH), the Charity Commission, Charities Acts and Companies Acts, seeking consent, filing returns and publishing accounts as required. Compliance updates go to each meeting of the Audit and Assurance Committee of the Board. A small number of our services are registered with and subject to inspection by the Care Quality Commission.

Statement on public benefit

The purpose of the Group is set out in the charitable objects above. Prospective users of services across the Group are usually referred to the provider organisation by a psychiatrist, general practitioner, or other health care professional. Day care and other non-residential services are provided free of charge at the point of delivery. Rent and any other charges for housing, residential care and nursing homes are usually covered by a range of housing and other benefits. The Group Board has given due regard to the Charity Commission's guidance on providing public benefit in its decision making and considers that all Group activities provide public benefit.

Statement of accountability

The Group Board accepts the obligation to account for its actions in an open manner to people we support, our regulators, commissioners, and other stakeholders, including the wider public. The Group Board also accepts the obligation to ensure that Group companies deliver the standards of probity required by law, by their regulators and appropriate to their position in the community. The Group's objective is to attain a substantial level of corporate social responsibility aligned with Environmental, Social, and Governance (ESG) directives and financial climate disclosure guidelines. However, this pursuit remains subject to its primary obligation of fulfilling its charitable objectives and utilizing its charitable resources for that intended purpose.

In addition to putting people we support at the centre of everything we do, the Group Board remains committed to our Recovery Focus Group identity, bringing like-minded expert partners together. We will continue to build the identity and profile of both the Group and individual partners over the coming year.

Statement of compliance with the RSH's Governance and Viability Standard and the NHF Code of Governance

The Governance and Financial Viability Standards of the Regulator of Social Housing (RSH), effective at 31 March 2023, requires compliance with an "appropriate code of governance, giving reasons for the choice and explaining areas of non-compliance". RF has chosen the National Housing Federation (NHF) Code of Governance. The NHF re-issued their Code in 2020 and the Group Board committed to its adoption and

therefore this report is prepared in the context of the 2020 Code. The Code of Governance in turn requires compliance with the NHF Code of Conduct.

The Board considers the regulatory standards and matters covered by the Code through the ongoing work of the Audit and Assurance Committee. In July 2023, the Committee reviewed the Group's compliance and concluded that this had been demonstrated, approving the following statement of compliance:

''Richmond Fellowship is a member of the National Housing Federation (NHF) and endorses the NHF Code. The Code is an integral part of RF's agreement for services with its non-executive directors. RF is compliant with (or taking steps to achieve compliance) with all requirements of the Code that are relevant to it as a small, specialist registered provider of social housing and registered charity. The RF Group has rigorous governance arrangements which are audited regularly by our engaged firm of internal auditors and meets the reporting requirements of the Regulator of Social Housing and the Charity Commission."

This year we have self-assessed our governance against the current NHF Code. We are continually reviewing how we continue to ensure compliance with the Code to deliver better governance overall. Our Succession Strategy for Non-Executives continues to work highly effectively and we are looking to improve across all areas of the Environmental, Social and Governance (ESG) agenda to ensure that we are keeping pace with the expectations of our stakeholders as well as statute and regulatory guidance. We are particularly delighted that as of 1 June 2023, both RF and Aquarius Board have a majority of directors who are women. In relation to specific non-compliance with the NHF Code, Richmond Fellowship remains non-compliant with the NHF Code as follows:

Requirement	*Reason for non-compliance*
3.3(2) The board has between 5 and 12 members, including any co-optees and executive members.	The Group Board currently comprises 13 members in total (with the Articles allowing a maximum of 15), including 3 executive directors as RF has a unitary board. The Board however recently resolved to move away from having a unitary board and the necessary changes will be enacted in 2023/24.

Two new Group Board appointments were made in 2022/23, when welcoming Susan Moore and Paul Najsarek to the Board in April. Two further appointments were made, to replace retiring non-executives, on 1 April 2023 and 30 May 2023 and this is declared as a post balance sheet event earlier in this document. The Board has a clear approach to planning for succession and our induction of new non-executives continues to evolve to ensure new directors have the best chance possible to contribute strongly from the date of their appointment. In the year, we reviewed our position of having a remunerated Board and remain firmly of the belief that this serves Richmond Fellowship well in terms of a strong commitment to ensuring decisions are rooted in what is ultimately in the best longer-term interests of our beneficiaries.

As part of its annual self-evaluation process, the Board has concluded that the business case for payment of non-executive Group Board members remains valid and of benefit to the charity. The levels of payment in place are reviewed annually and these were last fully benchmarked in 2021/22 to ensure they remain at the right level for the responsibility and expectations we make of our non-executives. The recommendation was to leave the rates of remuneration unchanged.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The Board confirms that, in fulfilling their duties as directors, they have taken all the necessary steps in order to make themselves aware of any information relevant to the audit and to establish that the auditor is made aware of that information. So far as the directors are aware, there is no relevant audit information which has not been brought to the attention of the auditor.

Approved by the Board and signed on its behalf by

Helen Edwards
Helen Edwards (Aug 23, 2023 13:46 GMT+1)

H Edwards, Chair of the Board

STATEMENT OF THE GROUP BOARD ON VALUE FOR MONEY (VFM)

The Value for Money (VFM) strategy is driven by the Board and ingrained into all aspects of our operations to align with the latest code of practice on value for money set by the Regulator of Social Housing. As a registered provider, we proactively publish our performance against a specific set of key indicators, as demonstrated below:

				Benchmarking (based on 2022 Global Accounts)						
Sector Scorecard	RF 2023	RF 2022	RF 2021	A	B	C	D	E	F	2022 Ranking
> Business Health										
Operating Margin (Overall)	(2.5%)	3.3%	0.6%	5.2%	4.3%	2.6%	3.5%	13.4%	0.2%	5th
Operating margin (social housing lettings)	1.7%	10.8%	18.1%	10.0%	15.4%	4.2%	(2.4%)	10.1%	0.1%	2nd
EBITDA MRI (as % interest)	n/a	n/a	n/a	611.0%	1,554.0%	675.0%	(339.0%)	127.0%	(1,450.0%)	n/a
> New Supply delivered										
Social housing units - %	0	0	n/a	1.5%	3.6%	6.0%	0.1%	-	3.1%	n/a
Non-social housing units - %	n/a	n/a	n/a	-	-	-	-	-	-	n/a
Gearing	n/a	n/a	n/a	(1.8%)	38.3%	3.7%	14.5%	9.6%	(27.2%)	n/a
> Effective asset mgt										
Return on Capital Employed - %	(0.9%)	3.8%	2.4%	3.0%	1.4%	1.6%	1.4%	2.8%	0.2%	1st
>Outcome delivered										
Reinvestment	2.0%	1.5%	2.9%	5.4%	9.0%	11.8%	5.5%	3.3%	3.3%	7th
>Operating Efficiency										
Headline social housing unit costs	£ 10,017	£ 9,498	£ 9,295	£ 14,045	£ 11,900	£ 25,138	£ 28,605	£ 7,414	£ 22,614	2nd
Management cost per unit	£ 1,921	£ 1,569	£ 1,110	£ 1,887	£ 2,281	£ 5,516	£ 11,460	£ 6,447	£ 10,618	1st
Service charge cost per unit	£ 3,123	£ 2,961	£ 2,278	£ 5,308	£ 2,685	£ 9,785	£ 12,282	£ 7,815	£ 13,712	2nd
Routine Maintenance cost per unit	£ 402	£ 275	£ 91	£ 2,861	£ 1,086	£ 4,340	£ 2,498	£ 4,388	£ 2,552	1st
Planned Maintenance cost per unit	£ 220	£ 71	£ 68	£ 2,920	£ 901	-	-	-	£ 349	4th
Major repairs cost per unit	£ 361	£ 676	£ 724	£ 372	£ 227	-	£ 67	£ 545	-	7th
Lease costs	£ 3,079	£ 2,677	£ 2,088	£ 793	£ 933	-	-	-	£ 6,473	6th
Capitalised major repairs expenditure for period	£ 361	£ 676	£ 437	£ 779	£ 51	£ 266	£ 6,461	£ 4,854	£ 1,638	3rd
Other (social housing letting) costs	£ 411	£ 749	£ 342	£ 2,039	£ 488	£ 1,546	-	£ 228	£ 359	5th
Other social housing activities: charges for support services]	£ 15,466	£ 16,533	£ 16,141	£ 14,722	£ 6,997	£ 11,151	£ 38,687	£ 2,151	£ 22,327	5th
Total social housing units owned and/or managed at period end	719	770	768	2,275	1,315	1,297	2,498	3,634	2,566	7th

It is important for us to get the best value we can from our resources. To test this, we benchmark ourselves against a selected group of peer organisations to help to give us an objective perspective. We have identified six similar-sized registered providers of social housing who provide care and support services and operate in similar geographic areas to compare ourselves with. We have selected their metrics from the 2022 Global accounts of private registered providers and ranked our performance for each of the above key measures. We believe this is an effective way to get an objective point of view on our performance to help us to learn, plan, grow and take corrective action where we find this to be necessary.

Our results show that our headline social housing unit cost metric has increased from £9,498 to £10,017 per unit. This represents increases in our housing management, maintenance, and support costs within a backdrop of reduction in unit numbers 719 in 2023 (770, 2022). Cost was particularly impacted by voluntarily implementing the National Minimum Wage ahead of government guidelines, paid a one-off cost-of-living lump sum to our staff and absorbed most of the inflationary pressure in delivering our services. Whilst some of these increases were not budgeted, the management took a conscious decision to absorb these costs to keep delivering quality services to commissioners and the people we support. We will continue to monitor costs and have increased our budget to assist in the management of future price increases.

Value for money through delivery

The Group continues to promote value for money improvements through the following main channels:

- Co-production – through increasing levels of co-production we can deliver services differently and more effectively using local ideas and innovations.
- Governance – through scrutiny and assurance we ensure that the people we support get value for money by internal and external benchmarking and robust budgeting.
- Delivery processes – the pandemic forced us to re-assess how we work and how we deliver services. Many of the changes delivering efficiencies will continue. We have aligned this to our digital strategy, making our business more technology-driven and end user focused.
- Consistent and improved models to support recovery and procurement – the pandemic has given us further impetus to hone our models to support recovery. Group-wide we are driving a procurement initiative that will yield consistent and effective outcomes with an affordable cost base.

In compiling the Corporate Plan, to ensure that our plan priorities take on board how these will impact and improve our regulatory indicators.

Procurement

The Group has a procurement strategy with a focus on strengthening the Group's approach to procurement and supporting the achievement of the approved Group Strategy. The procurement strategy aims to ensure that procurement activities are undertaken efficiently and economically and provides direction to strive for best practice in procurement while constantly improving value for money and the quality of goods and services that are procured. It outlines the role that procurement will play in the delivery of the Group's priority objectives:

- To evaluate and improve current procurement practices to achieve better value for money and to ensure the Group's needs are met efficiently and effectively.
- To ensure that good practice examples are identified and applied consistently across the organisation.
- To review our products to ensure these are providing a return on investment.
- To renegotiate contracts to maximise economies of scale.
- To reduce our environmental impact and increase our sustainability, making the best use of our national footprint.
- To ensure that current and future procurement activities are planned, monitored and reviewed effectively.
- To create a structure where we can share resources, drive innovation and create more efficient ways of working.
- To use digital solutions to create the most efficient and effective procurement methods to deliver the best possible service.
- To use digital solutions to strengthen the financial controls of the business procurement process – using Workday "purchase to pay".
- To identify opportunities for collaboration with others to widen the scope for maximising purchasing power and identifying innovation.
- To identify what part customers will play in the procurement process.

Looking ahead

As part of its three-year business planning and budgeting process, the Board has approved a comprehensive Value for Money Strategy and Savings Plan, referred to as the Transformation Plan. The plan outlines projected savings in several key areas, with a projected annual yield of over £1 million in savings. This Plan is regularly by the Business and Finance Committee of the Board to ensure risks arising from actions are well managed and mitigated and the savings delivered are in line with aspiration.

Key areas of focus to deliver increased value for money include:

- Reducing central overhead to a maximum of 12% of overall income by changing how we deliver the central support of our services.
- Streamlining our systems and processes to reduce time and human effort to deliver tasks, generating efficiencies.
- Reviewing viability of individual services – both those performing well and those challenged, to scope wider opportunities for efficiency whilst also improving effectiveness.
- Streamline existing operations and optimise the use of our assets to enhance income generation.

This will allow more money to flow to frontline delivery and thereby enhance our financial sustainability and deliver even greater value for our organisation and those we serve.

STATEMENT OF THE GROUP BOARD ON INTERNAL CONTROLS ASSURANCE

The Group Board is responsible for controls assurance across the whole Group and reviewing its effectiveness. The Directors recognise that such systems can provide only reasonable, not absolute, assurance against material misstatement or loss.

Board Members and Meetings

A comprehensive list of Board Members for the year can be found on page 1. The Group Board held a total of six formal meetings during the year (2022: 6). Overall attendance, including Executive Directors, at these meetings was at an impressive 94% (2022: 96%). The meetings, which also include Board Committees, were primarily conducted via videoconference, with the exception of two annual Board away events, which were held in person. Each Board meeting is prefaced by a discussion on a wide range of topics exploring strategic and governance-related matters. These supplement the risk "deep dives" that occur on a wide range of challenging issues affecting the Group, as part of each Committee's quarterly agenda.

Directors participate in one-to-one reviews of the Board, its committees and their own personal performance - identifying areas for action and any development needs. We use the skills review alongside the priorities in the Group Strategy to assess the strength of governance, future Board needs and the desirable values, experiences, and knowledge, in identifying new non-executives as vacancies arise.

Board Members' remuneration, attendance and Partner Board/Committee Memberships in 2022/23 were:

Non-Executive	*Remuneration*	*Group Board Attendance*	*Partner Board/Committee Memberships*
I Ayling	£5,500	5 / 6	AAC, BFC
K Bakshi	£6,250 *	5 / 6	QPC
H Edwards	£12,500	6 / 6	PeC
A Fletcher	£6,000	6 / 6	QPC, PeC, AAP
M Hopcroft	£5,000	6 / 6	AAC, WTC
S Moore	£5,500	6 / 6	AAC, BFC
P Najsarek	£5,000	6 / 6	BFC
R Perkins	£6,000	6 / 6	PeC, WTC
A Powell	£8,000	6 / 6	AAC, BFC
J Royle	£6,000	6 / 6	PeC, QPC

PARTNER BOARD/ COMMITTEE KEY
AAP (Aquarius Board)
AAC (Audit & Assurance)
BFC (Business & Finance)
PeC (People)
QPC (Quality & Performance)
WTC (Working Together)

* *This includes a one-off arrears adjustment of £250*

The work of our Board Committees is enhanced by co-opted expert advisers who add a wider perspective and expertise to all committees (except the Remuneration Committee). We thank all of them for their dedication to the work of the Group and the sharing of their perspectives.

Matters reserved for the Group Board

The Group Board has delegated limited powers to its six committees: Audit and Assurance, Business and Finance, People, Quality and Performance, Working Together and Remuneration Committees. It reserves certain responsibilities and decisions for itself, specifically:

- Management structure, organisation and essential governance
- Objects, values and corporate strategy
- Annual budget setting
- Key controls as specified in the standing orders and scheme of delegations

Terms of reference for each Board committee are reviewed annually and approved by the Board itself. Each committee (except Remuneration) aims to include an adviser with recent lived experience and has also appointed one or more independent members to bring a broader perspective to the work of each committee. Each independent member contributes significantly to the assurance framework, being experts in their field.

During the year, to support the work of both the Richmond Fellowship and Aquarius Boards, the Group has had in place three key assurance groups which meet quarterly to support the management of risk and add additional expertise and assurance in their areas of focus:

Health and Safety Group – proactively manages health and safety risk and compliance, monitoring risks relating to clients, workforce and premises. This Group includes an external expert adviser and reports and makes recommendations via the Group Board's Quality and Performance Committee to both Boards. Albert Fletcher attends as Board Non-Executive Health and Safety Champion.

Service Governance Group – this Group oversees the quality of service delivery across the Group, ensuring consistently high standards and assessing and managing emerging risks in service delivery. This Group also includes an external expert adviser who provides an independent assurance report after each meeting, making recommendations to the Group Board's Quality and Performance Committee as required. (This Committee, in turn, reports to the Group Board and Aquarius Board). This Group also oversees the internal Quality Improvement Plan and client risk, including the local management of clients' own funds, medication and wellbeing.

Information Governance Group – the primary responsibility of this Group is to ensure full compliance with the law, regulatory requirements, and the rights of individuals accessing or providing our services in all aspects of our information governance approach. Given the growing risks posed by cyber threats, coupled with the escalating significance and dependence on technology and data for the secure and efficient delivery of services, the work undertaken by this Group has become increasingly crucial to our overall governance efforts.

An effectiveness review of these groups will be undertaken in 2023-24 to check that they remain fit for purpose or whether there is a more effective way of delivering this assurance going forward.

Identification and evaluation of risks and control objectives

Board Directors, working with the Group Leadership Team (GLT - currently comprising Group Directors and the operations leads for both Richmond Fellowship and Aquarius) and the Directors of the Aquarius Board, have separately and collectively given substantial consideration to the major risks to which the Group is exposed. As part of this process, the Audit and Assurance Committee meets four times annually and gives a significant portion of its agenda to risk scrutiny and challenge. The internal and external audit teams are a convectional of assurance in fulfilling this remit.

Ownership for delivering the priorities and managing the associated risks rests with the GLT, but each Group Board Committee scrutinises a portfolio of risks, on with Non-Executives introducing additional ideas and rigorously working through the challenges for the organisation.

As a shared responsibility, parent and subsidiary Board Directors and the GLT routinely satisfy themselves that appropriate systems, plans and procedures are in place to properly manage risk and assess progress against significant milestones in delivering key priorities.

Managing the business

Performance indicators are in place to provide information that allows management to monitor the key targeted outcomes that have been agreed upon as the best metrics to assess the sound progress of our strategic priorities. These indicators satisfy management that our services are delivering for our beneficiaries and matters which require intervention can be tackled. Our key data management systems provide much of the information to do this and we continue to make good progress in our long-term goal of moving towards a digital dashboard, for more timely information that can be sense checked against other indicators to be able to inform and suggest actions to ensure that our priorities can be met.

To complement the existing control mechanisms, the provision of effective training and awareness information is vital to ensure the safe and consistent application of processes. As part of our extensive training and development program, several modules are mandatory for all staff and are regularly updated to keep the Group's workforce well-informed, prepared, and capable of delivering quality services.

In 2023, we undertook a thorough examination of rental charges and their alignment with the rent standard. During this process, it came to light that a small number of properties had been overcharged by a total amount of £427k. The impact of this adjustment is a combination of non-recurrent (refunds for over-charging in prior years) and recurrent (lower on-going rental charges). Two properties recorded rents below the rent standard but these will only be adjusted on re-let. We have accounted for this overcharge in the 2022/23 result and made provisions for issuing refunds. Rent notices issued for increases at the beginning of April 2023 were fully adjusted and explained to our residents. We are currently engaged in discussions with the Regulator of Social Housing to formally register the breach, how it occurred, what its impact was and how the position has been rectified. This has all been reported to the Board, who have charged the Audit and Assurance Committee with on-going oversight to ensure the breach is fully disclosed and the rectifications managed. We will change the process by which annual rent reviews take place, learning from the past to

minimise the opportunity of re-occurrence and this process will include expert external adviser sampling to ensure we remain fully compliant with the latest guidelines, moving forward.

As another line of assurance, our Internal Audit Team deliver a comprehensive annual programme highlighting a range of actions that management are pursuing.

Internally we continued to publicise our Feedback Policy and raise awareness around the key policies that assist with controls assurance, such as Whistleblowing, Anti-Money Laundering, Anti-Fraud, Gifts/Hospitality and Conflicts of Interest. Our Quality Self-Assessment regime is in place across the whole Group and is operating at local, area and partner-wide level.

Our Non-Executive Board Members undertake service visits as part of their wider responsibility (and development) to better understand the services we are delivering, the challenges faced in delivering them; it is also an opportunity for them to speak to people we support directly. There are popular with people we support, staff and Board Members alike.

At the end of the year, the Group Board has reviewed the controls and assurances in place across the Group and is satisfied that the Group is both compliant with legal and regulatory requirements and improving. This includes all the areas of work for which the Aquarius Board is ultimately responsible for delivery and oversight.

We maintain close collaboration with external partners and stakeholders to gain insights into their perspectives on our strategic direction and ongoing performance. This includes engaging with commissioners to ensure their satisfaction with our services and exploring ways to enhance their effectiveness. Additionally, we collaborate with local safeguarding teams, fire safety authorities, the Care Quality Commission, and other independent expert advisers, valuing their objective viewpoints as a valuable means of driving our continuous improvement agenda. By actively seeking input from these external sources, we strive to foster a transparent and inclusive approach to our operations and service delivery.

STATEMENT OF THE RESPONSIBILITIES OF THE GROUP BOARD IN RESPECT OF THE ACCOUNTS

The Group Board Directors are responsible for preparing the report of the Group Board, incorporating the strategic report and the accounts in accordance with applicable law, regulations and associated guidance and good practice.

Company and housing law requires the Group Board to prepare consolidated accounts for each financial year in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law) including FRS 102 “The Financial Reporting Standard applicable in the UK and the Republic of Ireland“. Under company and housing law, the Group Board members must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the surplus or deficit of the Group for that period.

In preparing these accounts, the Group Board directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

The Board directors are also responsible for keeping adequate accounting records that are sufficient to show and explain all transactions and disclose with reasonable accuracy at any time the financial position of the Group and that ensure the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and have due regard to Charity Commission guidance. They are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RICHMOND FELLOWSHIP

Opinion

We have audited the financial statements of Richmond Fellowship (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Group and Company Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's and parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 for the group and the company and the Charities Act 2011 (for the Group); and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Board of Directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in 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 Report of the Group Board has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Group Board.

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 and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of the Responsibilities of the Group Board set out on page 21, the members of the Board (who are directors of the parent charitable company for the purposes of company law and the trustees for the purposes of charitable 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 group's and the parent 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 group or the parent 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

We have been appointed as auditor under the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the group and the parent charitable company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of the group and the parent charitable company's industry and regulation.

We understand that the group and the parent charitable company complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A programme of internal audit performed by an independent firm of internal auditors;
- A risk assessment framework and register that includes regular review and scrutiny by the Board of Directors;
- Regular safeguarding and health and safety reviews;
- An annual assessment of compliance with social housing regulations; and
- The Board of Director's close oversight through regular Board meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the group and the parent charitable company's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the group and the parent charitable company:

- FRS 102 and the requirements of the Companies Act 2006, in respect of the preparation and presentation of the financial statements;
- Safeguarding, including health and safety and Care Quality Commission regulations; and
- Social housing and Charity law and regulation.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Making enquiries of management and the Audit and Assurance Committee as to the risks of non-compliance and any instances thereof;
- Reviewing internal audit reports and correspondence between regulators and the group and the parent charitable company; and
- Reading minutes of meetings of those charged with governance.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the group and the parent charitable company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries and incorrect recognition of revenue.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the group and the parent charitable company's processes and controls surrounding manual journal entries;
- Reviewing and challenging estimates made by management; and
- Substantive work on revenue transactions.

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

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company, and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Bond
Andrew Bond (Aug 24, 2023 21:14 GMT+1)

Andrew Bond
Senior Statutory Auditor, for and on behalf of

24/08/2023

CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V 7BG

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2023

	Notes	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Turnover	3	46,296	40,098	47,557	41,855
Expenditure					
Recurring	3	(46,174)	(40,838)	(45,774)	(40,645)
Non-recurring	9	(265)	(265)	-	-
Total Operating expenditure		(46,439)	(41,103)	(45,774)	(40,645)
Surplus / (deficit) on property disposals		683	683	151	151
Other operating income		-	-	4	3
Operating Surplus / (Deficit)		540	(322)	1,938	1,364
Interest receivable and similar income.	10	498	412	148	145
Interest & financing costs	11	(10)	(10)	-	-
Movement in the value of investments		(230)	(230)	204	204
Surplus / (deficit) before tax	12	**798**	**(150)**	**2,290**	**1,713**
Taxation on surplus		-	-	-	-
Actuarial (loss)/gain in respect of pension scheme	8	(425)	(425)	(2)	(2)
Total comprehensive income for the year		**373**	**(575)**	**2,288**	**1,711**

The Statement of Comprehensive Income was approved and authorised for issue by the Group Board on 3 August 2023.

Helen Edwards

Helen Edwards
Director

Susan Moore
Director

STATEMENT OF FINANCIAL POSITION as at 31 March 2023
COMPANY NUMBER 662712

	Note	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Fixed Assets					
Property, plant & equipment					
- Housing & other properties used for social provision	**13**	23,956	21,670	24,137	22,157
- Other property, plant and equipment	**14**	5,041	4,369	5,646	4,820
Post-employment benefits	**8**	62	62	484	484
		29,059	26,101	30,267	27,461
Current assets					
Inventories	**15**	173	171	169	167
Debtors due within one Year	**16**	6,173	5,346	6,421	5,882
Investments	**17**	3,772	3,772	4,002	4,002
Cash at bank and in hand		19,166	14,306	17,167	13,039
		29,284	23,595	27,759	23,090
Creditors: amounts falling due in one year	**18**	(7,457)	(6,224)	(7,516)	(6,630)
Net current assets		**21,827**	**17,371**	**20,243**	**16,460**
Total assets less current liabilities		**50,886**	**43,472**	**50,510**	**43,921**
Creditors: amounts falling due over one year	**19**	(7,838)	(7,838)	(7,712)	(7,712)
Total assets less liabilities		**43,048**	**35,634**	**42,798**	**36,209**
Funds					
Restricted funds	**23**	8,362	2,712	7,095	2,392
Unrestricted funds					
- Unrestricted general funds	**25**	33,685	32,103	34,050	32,346
- Designated funds	**24**	184	-	184	-
- Revaluation reserve	**25**	755	757	985	987
- Pension reserve	**25**	62	62	484	484
		43,048	**35,634**	**42,798**	**36,209**

The accounts were approved and authorised for issue by the Group Board on 3 August 2023.

Helen Edwards

Helen Edwards
Director

Susan Moore
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2023

		Unrestricted				
	Restricted Funds	General Funds	Designated Funds	Revaluation Reserve	Pension Reserve	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2022	**7,931**	**31,087**	**184**	**781**	**538**	**40,521**
Surplus for the year	-	2,290	-	-	-	2,290
Released on Disposal	-	(11)	-	-	-	(11)
Other comprehensive income	-	-	-	-	(2)	(2)
Total comprehensive income	-	2,279	-	-	(2)	2,277
Transfers (note 22)	(836)	684	-	204	(52)	-
Balance at 31 March 2023	**7,095**	**34,050**	**184**	**985**	**484**	**42,798**
Surplus for the year		798				798
Released on Disposal		(123)				(123)
Other comprehensive charge					(425)	(425)
Total comprehensive income	-	675	-	-	(425)	250
Transfers (note 22)	1,267	(1,040)	-	(230)	3	-
Balance at 31 March 2023	**8,362**	**33,685**	**184**	**755**	**62**	**43,048**

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2023

		Unrestricted				
	Restricted Funds	General Funds	Designated Funds	Revaluation Reserve	Pension Reserve	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2022	**3,806**	**29,371**	**-**	**783**	**538**	**34,498**
Surplus for the year	-	1,713	-	-	-	1,713
Other comprehensive income					(2)	(2)
Total comprehensive income	-	1,713	-	-	(2)	1,711
Transfers (note 22)	(1,414)	1,262	-	204	(52)	-
Balance at 31 March 2022	**2,392**	**32,346**	**-**	**987**	**484**	**36,209**
Deficit for the year		(150)				(150)
Other comprehensive charge					(425)	(425)
Total comprehensive income	-	(150)	-	-	(425)	(575)
Transfers (note 22)	320	(93)	-	(230)	3	-
Balance at 31 March 2023	**2,712**	**32,103**	**-**	**757**	**62**	**35,634**

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2023

	Note	2023 £000	2022 £000
Net cash Inflow from operating activities	**31**	**1,066**	**4,106**
Cashflow from investing activities			
Acquisition & development of properties used for service provision		(486)	(365)
Sale of housing properties		1,175	407
Purchase of other property, plant & equipment		(239)	(1,064)
Investment income received		156	125
Interest received		327	12
Net cash inflow/(used in) investing activities		933	(885)
Net increase in cash and cash equivalents		1,999	3,221
Cash & cash equivalents at the beginning of the year		17,167	13,946
Cash & cash equivalents at the end of the year		**19,166**	**17,167**
Cash & cash equivalents at the end of the year comprise:			
Cash at bank & in hand		19,166	17,167
		19,166	**17,167**

NOTES TO THE ACCOUNTS for the year ended 31 March 2023

1. Legal status

Richmond Fellowship ("the company") is a private company limited by guarantee (number 662712) and is incorporated in England; the registered office address is 80 Holloway Road, London, N7 8JG. The company is a registered charity (number 200453) and is also registered as a private provider of social housing with the Regulator of Social Housing (number H2025).

Aquarius Action Projects ("Aquarius"), is a wholly owned subsidiary of Richmond Fellowship. It is incorporated as a private company limited by guarantee under the Companies Act 2006 in England, number 2427100. It is also a registered charity, number 1014305. Its registered office is 236 Bristol Road, Birmingham, B5 7SL.

The group of companies is collectively known as Recovery Focus as referred to as the "Group"

Details of the principal activities of the Group are given in the accompanying narrative reporting.

2. Accounting policies

Basis of preparation

The financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Housing SORP 2018 "Statement of Recommended Practice for Registered Social Housing Providers" and comply with The Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are also prepared in accordance with the Companies Act 2006 and the Housing and Regeneration Act 2008. The consolidated financial statements are additionally prepared in accordance with the Charities Act 2011.

The Company is a public benefit entity and the Group is a public benefit group, as defined by FRS 102. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets in accordance with the Group's accounting policies.

Disclosure exemptions

The Company is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the exemption from presenting a statement of company cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements.

Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and its subsidiary undertaking.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In the case of subsidiaries which are charitable companies limited by guarantee, that control exists by virtue of the company being the sole member of each of the subsidiaries thereby being able to appoint the trustees of those entities.

Where a subsidiary has different accounting policies to the Group, adjustments are made to that subsidiary's financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations

The acquisition method, as applied to public benefit groups, is used to account for a combination with a new charitable subsidiary.

The acquisition method requires that the new subsidiary's assets and liabilities be initially recognised at their fair value. Where the nature of the combination is in substance a gift, the fair value of the gifted assets and liabilities is recognised as a gain or loss in the statement of comprehensive income in the year of the transaction, with all costs directly relating to the combination being expensed. For combinations which are in the nature of acquisitions, the excess of the fair value and directly attributable costs of the purchase consideration over the fair values of net assets and liabilities acquired is recognised as goodwill.

On transition to FRS 102 the Group and Company took the exemption available to not restate acquisitions affected before the transition date of 1 April 2014.

Going concern

The financial statements have been prepared on the going concern basis which the directors consider to be appropriate for the following reasons.

The Board has considered the potential impacts from different adverse conditions such as increased cost of living and fluctuations in revenue as well as options for mitigating them as part of the annual budgeting cycle. To ensure the business can continue operating in the immediate term, we carried out scenario testing on these conditions looking at income reduction from our Social Enterprises, changes in grant conditions, potential movement in operating costs affecting staff and other operating expenditures. Other scenario testing included subjective judgments of the impact of increased rent arrears, delayed rent collection and increased voids. In making these assessments, we also considered the mitigations available to manage the potential impact on cashflow affecting the financial viability of the business. Financial forecasts were regularly presented to the Board which included these scenarios and mitigations. The assessment demonstrated the financial impact could be managed within the approved budget and gave assurance we had sufficient liquidity to manage the financial risks. In addition, the Board is regularly updated with our performance against expectations by;

- detailed forecasting as part of the monthly reporting cycle
- twelve-month forward rolling cashflows forecast
- enforcing a 'golden rule' where cash reserves must remain within a minimum uncommitted cash reserves of £6 million, being £5 million for the company and £1 million for Aquarius.

The Group has no loan commitments nor restrictive financial covenants,

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

On this basis, the Board has reasonable expectations that the Group and Company have adequate resources to continue the operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Key sources of estimation uncertainty and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements, estimates and assumptions have had the most significant effect in amounts recognised in the financial statements:

(a) Critical judgements

In preparing the financial statements, the following judgements which have, or could have, a material impact on the financial statements were made:

Identification of housing property components
Housing property depreciation is calculated on a component-by-component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Housing property impairments
An impairment review of the Group's properties is undertaken when an impairment indicator is believed to have been triggered. The 2022/23 review did not result in the requirement for any impairments.

Properties let to other service providers
Properties let to other service providers are classed as property, plant and equipment rather than as investment properties, as the properties are retained primarily to ensure the continued provision of services to beneficiaries, rather than for capital gain or income generation.

Cap on net pension scheme asset
The net defined pension scheme asset is recognised only to the extent of the net present value of the estimated future Group contributions to the scheme, as it is deemed to be unlikely that the scheme trustees would make refunds to the Group.

(b) Key accounting estimates and assumptions

Estimation of revenue

Income from the provision of services is recognised as the services are provided. In most cases, the services are provided in accordance with the funding agreement, but in a minority of cases, the funder may contend that the services haven't been fully provided and retrospectively demand that a proportion of the invoiced income be refunded. Estimates are therefore necessary as to the extent to which invoiced income may be repayable.

Defined benefit pension scheme

The cost of defined benefit pension scheme plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount valuation rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and long-term nature of these plans, such estimates are subject to considerable uncertainty and the Group relies on the expert input of actuaries. Further details of the assumptions made are provided in Note 8.

Useful lives

Depreciation of assets is calculated based on the cost and the estimated useful lives of the assets. The expected useful lives for housing property components is estimated based on the expected replacement frequency used for asset management purposes.

Impairments of housing and other properties held social purposes

The cost of purchasing an equivalent property on the open market is estimated based on the sales prices for similar properties in or near the same location.

The rebuilding cost of structures and components is based on the current build costs obtained from market data (being primarily construction indices) applied to the relevant building size and type.

Rent arrears and other debtors

Provision is made for rent arrears where there is objective evidence concerning recoverability. This is an estimate based on past experience, the current level and age profile of the arrears / debtors, and the specific circumstances relating to a particular rent arrear or debt.

Carrying values

The carrying amount of the assets and liabilities affected by the above estimates are set out in the notes below.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents rental income receivable; fees from local authorities and other funders for the provision of services; grant income from the Government and other bodies; income from fundraising activities and amounts receivable for goods sold. All such amounts are stated excluding VAT where this has been applied.

Income is recognised as follows:

- *Rental Income* – on a time apportioned basis
- *Service Income* – as the services are provided
- *Donations* – when the Group has entitlement, the donation can be measured reliably, and receipt is probable
- *Revenue (performance) grants* – in the same period as the expenditure to which they relate
- *Government capital grants* - recognised using the accruals model and initially deferred and then credited to revenue on a straight-line basis over the expected life of the asset which they have funded
- *Other capital grants* – recognised using the performance model, with recognition being when the Group has entitlement, the grant can be measured reliably, and receipt is probable

Donated assets and services which would otherwise have been purchased are included at the estimated expenditure purpose, the donations may become repayable in which case the liability is recognised when the related asset is disposed of or when it ceases to be used for the approved purpose.

Arrears

Debtors include the total rent and service charge arrears which is comprised of both current and former tenant arrears. Former tenant arrears are fully provided for in the financial statements at the point the tenant leaves the property. Current tenant arrears are provided for at specific rates according to the age of the debt.

Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits
Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan
The Group operates a defined contribution plan, whereby the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the statement of financial position.

The assets of the plan are held separately from the Group in independently administered funds.

State plan
The Group is an admitted body to the NHS Pension Scheme, a multi-employer defined benefit pension scheme. The Group has no on-going liability to this scheme other than to pay contributions as they fall due and this plan is accounted for as a defined contribution plan.

Defined benefit pension plan
The Group operates a defined benefit plan for certain employees. 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.

The asset recognised in the statement of financial position in respect of the defined benefit plan is the lower of the fair value of the plan assets at the reporting date less the present value of the defined benefit obligation at the reporting date and the net present value of the estimated future Group contributions to the scheme.

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 ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Re-measurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in operating expenditure in the statement of comprehensive income as employee costs comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the statement of comprehensive income as 'Finance expense'.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Trade and other debtors and creditors, including rent arrears and rent paid in advance, are classified as basic financial instruments and measured at initial recognition at transaction price. Such debtors and creditors are subsequently measured at amortised cost using the effective interest rate method, save that amounts expected to be settled within 12 months are not discounted. An impairment provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents and long-term bank deposits are classified as basic financial instruments and are initially recognised at their transaction price and subsequently at fair value.

Interest bearing bank and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the counterparty, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Financial assets are derecognised when either the contractual rights to the cash flows from the asset are settled or expire, or when substantially all the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities are derecognised when the liability is extinguished, that is when contractual obligation is discharged, cancelled or expires.

Managed properties

Income and expenditure relating to housing properties managed by the Group are recognised in the statement of comprehensive income where the Group is exposed to a significant proportion of the risks and rewards associated with the properties.

Housing and other properties used for social purposes

Housing and other properties used for social purposes are properties which are held to provide residential accommodation, nursing homes or day care centres. These properties are stated at cost less accumulated depreciation and any recognised impairment loss. The cost of the properties is the purchase price together with those costs that are directly attributable to acquisition and construction up to the date of completion.

Properties in the course of construction are not depreciated.

Depreciation is charged on major components so as to write down the cost of the components to their estimated residual value on a straight-line basis over their estimated useful lives as follows:

Freehold Land	indefinite	Structure	100 years
Pitched Roof	60 years	Flat Roof	20 years
Windows	40 years	Boilers	15 years
Bathrooms	20 years	Kitchens	15 years
Wiring	30 years	Fire Systems	10 years

Subsequent expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in incremental future benefits is capitalised and the carrying amount of any replaced component or part component is derecognised. Any other expenditure incurred in respect of repairs is charged to operating expenses in the statement of comprehensive income.

Other tangible fixed assets

Other fixed assets are stated at cost less depreciation. Depreciation is charged on a straight-line basis over the expected economic lives of the assets at the following annual rates:

Office premises	1%
Motor vehicles	25%
Plant & machinery	25%
Furniture	25%
Computer, IT & other office equipment	20%
Computer software	10%

Inventories

Inventories are stated at cost less provision for impairment losses.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indicator that the asset (or asset's cash generating unit) may be impaired. If there is such an indicator the recoverable amount of the asset (or asset's cash generating unit; CGU) is compared to the carrying amount of the asset (or asset's cash generating unit).

Assets not used for social purposes

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use (VIU) is defined as the present value of the future cash flows before

interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the operating expenses unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Assets used for social purposes, including housing and other properties
For the purposes of impairment assessments, housing and other properties used for social purposes are assessed on a property by property basis.

At each statement of financial position date, the properties are assessed to determine if there are indicators that the property may be impaired in value; if there are such indicators of impairment, then a comparison of the property's carrying value to its recoverable amount is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as operating expenses in the statement of comprehensive income; the carrying value is reduced appropriately. The recoverable amount of a property is the higher of its fair value less costs to sell and its value in use. Value in use for properties which are able to be used in their current condition and which are fulfilling the social purpose for which they were acquired is based on the depreciated replacement cost of the asset. For other schemes, value in use is defined as the net present value of the future cash flows before interest generated from the scheme.

When an impairment loss is subsequently reversed, the carrying amount of the property is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in operating expenses in the statement of comprehensive income.

Government grants (social housing grants - SHG)

Government grants are recognised when there is reasonable assurance that the Group will receive the grant and be able to comply with the terms of the grant. Grants are classified as either relating to assets or as relating to revenue.

Grants relating to assets are accounted for using the accrual model and are recognised as revenue in the statement of comprehensive income over the period of the estimated life of the relevant asset to which it relates as follows:

- Grants relating to whole properties – over the useful life of the structure
- Grants relating to components – over the useful life of the relevant components

Grants relating to assets are derecognised when the asset to which they relate is derecognised.

Grants which relate to revenue are accounted for using the performance model and are recognised in the statement of comprehensive income as the associated costs to which the grant relates are recognised.

Any grants which are received but are not recognised are disclosed as liabilities.

Grant relating to a property which is sold is derecognised and disclosed as a liability where repayment or recycling is required. Where SHG is recycled, it is credited to a fund which appears as a creditor until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year

Current asset investments

Investments are stated at fair value and any changes in the fair value are recognised in the statement of comprehensive income.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to operating expenses in the statement of comprehensive income on a straight-line basis over the life of the lease.

Incentives received to enter into an operating lease are credited to operating expenses, to reduce the lease expense, on a straight-line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits and other highly liquid investments which have a maturity of three months or less.

In certain cases, the Group and its employees assist individuals to manage their money in their bank accounts. These bank accounts do not relate to the Group and are therefore not dealt with in these financial statements.

Provisions

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

Value Added Tax

The Group is registered for VAT and the balances shown in these accounts exclude VAT where applicable. Irrecoverable input VAT is expensed as incurred and is analysed in line with the underlying expense to which it relates.

Taxation

All entities within the Group are registered charities and are able to obtain relief from corporation tax, provided that they operate within certain charitable exemptions, including applying all income to charitable purposes. Since these conditions have been fulfilled, these entities do not recognise provisions for taxation.

Provision is made for direct and deferred tax in respect of non-charitable subsidiaries; currently, the activities of non-charitable subsidiaries are immaterial to the Group.

3. Particulars of turnover, operating expenditure and operating surplus / (deficit)

Group	2023			2022		
	Turnover	Operating expenditure	Operating Surplus (Deficit)	Turnover	Operating expenditure	Operating Surplus (Deficit)
	£000	£000	£000	£000	£000	£000
Social housing activities						
Social housing lettings *(note 4)*	7,323	7,202	121	8,200	7,314	886
Other social housing activities						
Supporting people contract income	14,302	15,466	(1,164)	15,599	16,533	(934)
	21,625	**22,668**	**(1,043)**	**23,799**	**23,847**	**(48)**
Activities other than social housing activities						
Registered nursing home lettings	528	509	19	513	512	1
Crisis Houses	3,794	3,909	(115)	2,691	2,720	(29)
Community based projects	19,583	18,802	781	20,049	18,039	2010
Leased to third party providers	181	61	120	143	24	119
Other	585	225	360	362	632	(270)
Non-recurring expenditure (*note 9*)	-	265	(265)			
	24,671	**23,771**	**900**	**23,758**	**21,927**	**1,831**
TOTAL	**46,296**	**46,439**	**(143)**	**47,557**	**45,774**	**1,783**
Surplus on disposals of fixed assets			**683**			**151**
COVID-19 Job Retention Scheme Income			**-**			**4**
Operating surplus			**540**			**1,938**

3. Particulars of turnover, operating expenditure and operating surplus / (deficit) (continued)

Company	2023			2022		
	Turnover	Operating expenditure	Operating Surplus (Deficit)	Turnover	Operating expenditure	Operating Surplus (Deficit)
	£000	£000	£000	£000	£000	£000
Social housing activities						
Social housing lettings *(note 4)*	7,323	7,202	121	8,200	7,314	886
Other social housing activities						
Supporting people contract income	14,302	15,466	(1,164)	15,599	16,533	(934)
	21,625	**22,668**	**(1,043)**	**23,799**	**23,847**	**(48)**
Activities other than social housing activities						
Registered nursing home lettings	528	509	19	513	512	1
Crisis Houses	3,794	3,909	(115)	2,691	2,720	(29)
Community based projects	13,384	13,600	(216)	14,347	12,916	1,431
Leased to third party providers	181	61	120	143	24	119
Other	586	91	495	362	626	(264)
Non recurring expenditure (note 9)	-	265	(265)			
	18,473	**18,435**	**38**	**18,056**	**16,798**	**1,258**
TOTAL	**40,098**	**41,103**	**(1,005)**	**41,855**	**40,645**	**1,210**
Surplus on disposals of fixed assets			**683**			151
COVID-19 Job Retention Scheme Income			**-**			**3**
Operating surplus			**(322)**			**1,364**

4. Particulars of income and expenditure from social housing lettings

GROUP AND COMPANY

	2023	2022
Supported housing	**Total**	**Total**
	£000	**£000**
Rent receivable net of service charges	3,902	3,977
Rent refund provision**	(427)	-
Service charge income	3,851	4,125
Net rental income	**7,326**	**8,102**
Government grants taken to income		
Amortised government grants*	(3)	98
Turnover from social housing lettings	**7,323**	8,200
Operating expenditure		
Housing management	1,381	1,209
Service charge cost	2,246	2,280
Routine maintenance	289	212
Planned maintenance	158	54
Major repairs expenditure	260	520
Bad debts	296	576
Property lease charges	2,213	2,062
Depreciation of housing properties and associated fixtures, fittings and equipment	359	401
Operating expenditure on social housing lettings	**7,202**	**7,314**
Surplus on social housing lettings (as per note 3)	**121**	**886**
Void losses (deducted from rent above)	**808**	**1,101**

Throughout the year we operated a few residential crisis services which are not considered to be social housing (and the premises were not provided with the support of social housing grant) and as such are excluded from all of the data contained within this note.

Income and expenditure reflect all social housing provided by Richmond Fellowship, irrespective of the intensity of support given as part of the service provision.

*Amortised government grant includes a £94k write-back relating to a property reclassified as market rent.

** The total rent charged for the year includes a provision of £427k designated for refunding rental overcharges to our customers.

5. Leases

The Group lets certain of their housing properties to social housing tenants and to other social landlords.

Social housing tenancies
The social housing tenancy agreements are governed by housing law and rents levels are governed by the Government through powers derived from the Housing and Regeneration Act 2008. Housing law sets out various safeguards for tenants, the effect of which is to make gaining possession of the properties in the event of a default by tenant an onerous process requiring Court action by the Group. In addition, where a tenant is in default through the failure to pay rent due, the Court, rather than terminating the tenancy, will usually order that the tenant clears the arrears over a number of years by making small weekly payments.

The tenants have no statutory rights or rights under the tenancy agreements to purchase the properties.

Properties let to other social housing landlords
Richmond Fellowship has a number of properties which are let under non-cancellable operating leases to other social landlords for the provision of social housing and will receive the following future rents from such properties:

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Rents due within one year	82	82	127	127
Rents due between one and five years	83	83	46	46
Rents due after five years	-	-	-	-
Total	**165**	**165**	**173**	**173**

6. Key management emoluments

The emoluments of the directors / key management were as follows:

The emoluments of the directors / key management were as follows:	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Emoluments (including pension contributions and benefits in kind)				
Executive staff	589	530	624	565
Non-executive directors	66	66	64	64
	655	**596**	**688**	**629**
Employers' national insurance	72	66	83	76
	727	661	**771**	**705**
Emoluments paid to the highest paid Director (Excluding pension contribution, including benefits in kind)	**127**	**127**	**125**	**125**
Pension contributions for the highest paid director	**8**	**8**	**8**	**8**

The Group Chief Executive is an ordinary member of the Group's defined contribution pension scheme. No special terms apply.

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Directors' emoluments, as defined by the Companies Act 2006	**594**	**594**	**691**	**691**

Four executive directors were members of the defined contribution pension scheme.

7. Employee information

Average number of employees employed during the year:

Full time equivalents	2023 Group No.	2023 Company No.	2022 Group No.	2022 Company No.
Office Staff	115	102	120	108
Service Staff	975	834	1,007	861
Total staff	**1,090**	**936**	**1,127**	**969**

The full-time equivalent number of staff has been derived by reference to estimated hours worked.

Actual employees	2023 Group No.	2023 Company No.	2022 Group No.	2022 Company No.
Office staff	111	99	124	113
Service staff	928	800	1,051	917
Total staff	**1,039**	**899**	**1,175**	**1,030**

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Wages and salaries	26,903	23,303	26,767	23,229
Redundancy costs	192	192	101	101
Social security costs	2,438	2,118	2,231	1,945
Other pension costs	1,140	938	1,204	1,000
Total	**30,673**	**26,551**	**30,303**	**26,275**

During the year 13 people (2022 - 21) were made redundant. Wages and salaries include £34k ex-gratia payments to 3 employees (2022 - £Nil). Non-contractual payments are made on an exceptional basis only and are individually approved by the Group Leadership Team.

Senior Pay Banding

In the year, the following number of staff within the business, expressed in full-time equivalents, were paid remuneration (including pensions) of over £60,000:

Staff remuneration bandings	2023 Group No.	2023 Company No.	2022 Group No.	2022 Company No.
£130,001 to £140,000	1	1	1	1
£110,001 to £120,000	-	-	-	-
£100,001 to £110,000	-	-	-	-
£90,001 to £100,000	1	1	1	1
£80,001 to £90,000	2	2	2	2
£70,001 to £80,000	-	-	2	2
£60,001 to £70,000	4	4	1	1
Total staff	**8**	**8**	**7**	**7**

Pension costs are analysed as follows:

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Defined contribution schemes, including contributions to state schemes accounted for as defined contribution pension schemes	1,115	913	1,116	912
Defined benefit schemes – current service costs	25	25	88	88
	1,140	**938**	**1,204**	**1,000**

8. Post-employment benefits

NHS Pension Scheme

The Group is an admitted body to the NHS Pension Scheme. The Group's contribution in 2023 was £22k (2022: £27k) and the total number of employees participating in the scheme at the end of the year was 7 (2022: 10). The Group has no on-going employer's liability in respect of this scheme other than to fulfil annual contribution obligations for members whilst they are employed by the Group. This scheme is accounted for as a defined contribution scheme as the scheme actuary is unable to provide any details of the notional assets and liabilities attributable to the Group. More details regarding the scheme are available from the NHS Pensions website.

2Care Pension & Life Assurance Scheme

RF operates a defined benefit scheme, the 2Care Pension & Life Assurance Scheme. The assets of the fund are held in a separate trustee administered fund. Contributions to the scheme are assessed with the advice of a qualified actuary based on valuations using the projected unit method. Future employer contributions to the scheme have been agreed as being 26.95% (2022 – 26.95%) of pensionable salaries plus life assurance costs. Future employee contributions have been agreed as 8.45% (2022 – 8.45%) of pensionable salaries. The fund is now closed to new entrants and as a closed scheme it is likely that the future contribution rates will increase.

A comprehensive actuarial valuation of the fund was carried out as at 31 March 2023 by the Scheme's appointed actuary. Adjustments to the valuation at that date have been made based on the following assumptions:

	2023 % per annum	2022 % per annum
Inflation	3.20	3.60
Salary increases	3.20	3.60
Rate of discount	4.80	2.80
Pension in payment increases - pre 97 accrual	3.60	3.60
Pension in payment increases - post 97 accrual	3.00	3.60
Revaluation rate for deferred pensioners – RPI	3.20	3.60
Revaluation rate for deferred pensioners – CPI	2.70	3.10
Expected return on assets	4.80	2.80
Mortality assumptions:	**Years**	**Years**
Longevity at age 65 for current pensioners		
Men	22.2	22.2
Women	23.9	23.9
Longevity at age 65 for future pensioners		
Men	23.5	23.5
Women	25.4	25.4

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Total
	£000	£000	£000
At April 2021	**10,049**	**(8,842)**	**1,207**
Benefits paid	(82)	82	-
Employer contributions	25	-	25
Employees' contributions	8	(8)	-
Current service cost	-	(88)	(88)
Interest income / (expense)	-	(195)	(195)
Actuarial losses:	-	-	-
Return on plan assets excluding interest income	221	-	221
Actuarial gains / (losses)	313	304	617
At 31 March 2022	**10,534**	**(8,747)**	**1,787**
Benefits paid	(67)	67	
Employer contributions	14		14
Employees Contributions	4	(4)	
Current service cost	-	(25)	(25)
Interest income / (expense)	-	(244)	(244)
Actuarial losses:	-	-	
Return on plan assets excluding interest income	294	-	294
Actuarial gains / (losses)	(4,277)	3,578	(699)
At 31 March 2023	**6,502**	**(5,375)**	**1,127**
Unrecognised deficit			(1,065)
Net assets at 31 March 2023			**62**

The unrecognised deficit as at 31 March 2023 was £1,065k (2022: £1,303k).

Amounts recognised in income and expenditure are as follows:

	2023	2022
	£000	£000
Current service costs	25	88
Financial income	(14)	(11)
Total	**11**	**77**

Amounts recognised in other comprehensive income are as follows:

	2023	2022
	£000	£000
Return on plan assets excluding interest	(4,277)	313
Experience gains and losses arising on plan liabilities	(184)	(72)
Effects of changes in assumptions affecting plan liabilities	3,762	376
Effects of changes in the amounts of the surplus that is not recoverable	274	(619)
Total	**425**	**(2)**

Plan assets are invested as follows:

	2023	2022
	£000	£000
Equities	516	546
Diversified Growth Funds	4,327	4,669
Liability Driven Investment	1,557	5,318
Cash	102	1
Total	**6,502**	**10,534**

9. Non- Recurring items

	2023 Group	2023 Company	2022 Group	2022 Company
	£000	£000	£000	£000
Organisational Restructure	266	266	-	-
Total	**266**	**266**	**-**	**-**

10. Interest receivable and financial income

	2023 Group	2023 Company	2022 Group	2022 Company
	£000	£000	£000	£000
Interest receivable on deposits	327	241	12	9
Listed investment income	157	157	125	125
Net return on post-employment benefits	14	14	11	11
Total	**498**	**412**	**148**	**145**

11. Interest and financing costs

	2023 Group	2023 Company	2022 Group	2022 Company
	£000	£000	£000	£000
Recycled capital grant fund interest	**10**	**10**	**-**	**-**

12. Surplus for the year

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Depreciation and impairment of tangible owned fixed assets	886	845	1,147	1,084
Auditor's remuneration: (Excluding VAT)				
Audit of Group Annual Accounts	76	76	62	62
Audit of Group Subsidiary Accounts	18	-	15	-
Operating Leases				
Receivables from non-cancellable operating leases	82	82	127	127
Payments under non-cancellable operating leases	347	347	415	415
Rents payable under property licenses	2,231	2,158	2,101	1,996
Surplus / (deficit) on disposal of fixed assets				
Net proceeds from the sale of fixed assets	1,175	1,175	407	407
Less: net book value of assets sold	(370)	(370)	(256)	(256)
Less: capital grant recycled	(122)	(122)	-	-
Total surplus on disposal	***683***	***683***	**151**	**151**

13. Housing and other properties used for social purposes

GROUP	Social Housing Properties £000	Nursing Homes £000	Crisis Houses £000	Day / Garden Centres £000	Total £000
Cost:					
At 1 April 2022	**23,986**	**1,160**	**2,793**	**951**	**28,890**
Additions: existing properties	478	-	-	-	478
Disposals: components	(429)	-	-	-	(429)
At 31 March 2023	**24,035**	**1,160**	**2,793**	**951**	**28,939**
Depreciation:					
At 1 April 2022	**4,325**	**238**	**139**	**51**	**4,753**
Charge for the year	309	11	36	10	366
Disposals: components	(136)	-	-	-	(136)
At 31 March 2023	**4,498**	**249**	**175**	**61**	**4,983**
Net Book Value					
At 31 March 2023	**19,537**	**911**	**2,618**	**890**	**23,956**
At 31 March 2022	**19,661**	**922**	**2,654**	**900**	**24,137**

COMPANY	Social Housing Properties £000	Nursing Homes £000	Crisis Houses £000	Day / Garden Centres £000	Total £000
Cost:					
At 1 April 2022	**21,624**	**1,160**	**2,793**	**951**	**26,528**
Additions: existing properties	163	-	8	-	171
Disposals During the year	(429)	-	-	-	(429)
At 31 March 2023	**21,358**	**1,160**	**2,801**	**951**	**26,270**
Depreciation:					
At 1 April 2022	**3,943**	**238**	**139**	**51**	**4,371**
Charge for the year	309	11	35	10	365
Disposals During the year	(136)	-	-	-	(136)
At 31 March 2022	**4,116**	**249**	**174**	**61**	**4,600**
Net Book Value					
At 31 March 2023	**17,242**	**911**	**2,627**	**890**	**21,670**
At 31 March 2022	**17,681**	**922**	**2,654**	**900**	**22,157**

Housing and other properties used for social purposes at cost comprise:

Net book value	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Freehold	18,873	16,577	18,976	16,996
Long Leasehold	664	664	685	685
	19,537	**17,241**	**19,661**	**17,681**

14. Other tangible fixed assets

GROUP	Freehold Office Premises £000	Leasehold Office Premises £000	Motor Vehicles £000	Information Systems £000	Fixtures, Fittings & Equipment £000	Total £000
Cost						
At 1 April 2022	**2,809**	**985**	**72**	**5,096**	**1,030**	**9,992**
Additions in year	-	-	-	72	47	119
Disposals during the year	(231)	-	(57)	(32)	(4)	(324)
At 31 March 2023	**2,578**	**985**	**15**	**5,136**	**1,073**	**9,787**
Depreciation						
At 1 April 2022	**513**	**374**	**64**	**2,406**	**989**	**4,346**
Charge for the Year	20	8	3	409	55	495
Disposals during the year	(31)	-	(57)	(5)	(2)	(95)
At 31 March 2023	**502**	**382**	**10**	**2,810**	**1,042**	**4,746**
Net Book Value						
At 31 March 2023	**2,076**	**603**	**5**	**2,326**	**31**	**5,041**
At 31 March 2022	**2,296**	**611**	**8**	**2,690**	**41**	**5,646**

COMPANY	Freehold Office Premises £000	Leasehold Office Premises £000	Motor Vehicles £000	Information Systems £000	Fixtures, Fittings & Equipment £000	Total £000
Cost						
At 1 April 2022	**2,219**	**492**	**66**	**4,657**	**928**	**8,362**
Additions in year	-	-	-	66	46	112
Disposals during the year	(108)	-	(50)	(32)	(4)	(194)
At 31 March 2023	**2,111**	**492**	**16**	**4,691**	**970**	**8,280**
Depreciation						
At 1 April 2022	**389**	**66**	**58**	**2,203**	**826**	**3,542**
Charge for the year	17	5	3	383	50	458
Disposals	(31)	-	(50)	(5)	(3)	(89)
At 31 March 2023	**375**	**71**	**11**	**2,581**	**873**	**3,911**
Net Book Value						
At 31 March 2023	**1,736**	**421**	**5**	**2,110**	**97**	**4,369**
At 31 March 2022	**1,830**	**426**	**8**	**2,454**	**102**	**4,820**

15. Inventories

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Consumables	173	171	169	167

16. Trade and other receivables

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Trade debtors	5,185	4,436	4,685	4,191
Less: Provision for bad debts	(1,005)	(1,003)	(1,247)	(1,212)
	4,180	**3,433**	**3,438**	**2,979**
Prepayments & accrued income	1,974	1,890	2,971	2,891
Amounts due from subsidiary undertaking	-	7	-	1
Other Debtors	19	16	12	11
	6,173	**5,346**	**6,421**	**5,882**

17. Current asset investments

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Investments listed on recognised stock exchange	**3,772**	**3,772**	**4,002**	**4,002**

Investments listed on a recognised stock exchange comprise Schroders' Charity Multi-asset fund and CCLA-COIF Charities Ethical Investment Fund (Income).

18. Creditors: Amounts falling due within one year

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Trade creditors	1,789	1,697	1,761	1,719
Other creditors	344	255	177	150
Accruals & deferred income	4,156	3,192	3,958	3,221
PAYE, taxes & social security costs	591	503	691	611
Social housing grants (Note 20)	86	86	97	97
Other government grants (Note 20)	14	14	18	18
Recycled Capital Grants Fund (RCGF) (Note 19)	477	477	814	814
	7,457	**6,224**	**7,516**	**6,630**

19. Creditors: Amounts falling due after more than one year

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Recycled Capital Grants Fund (Note 20)	1,115	1,115	-	-
Social housing grants (Note 20)	5,873	5,873	6,851	6,851
Other government grants (Note 20)	850	850	861	861
Total	**7,838**	**7,838**	**7,712**	**7,712**

20. Recycled capital grant fund – Group and Company

	2023 RSH £000	2022 RSH £000	2023 GLA £000	2022 GLA £000	2023 Total £000	2022 Total £000
Balance at 1 April 2022	470	470	344	344	814	814
Recycled on property disposal	395	-	720	-	1.115	-
Repayments	-	-	(347)	-	(347)	-
Interest	7	-	3	-	10	-
Balance at 31 March 2023	**872**	**470**	**720**	**344**	**1,592**	**814**
Amounts repayable within one year	477	470	-	344	477	814
Amounts due over 1 year	395	-	720	-	1,115	-
Total	**872**	**470**	**720**	**344**	**1,592**	**814**

21. Government grants

The government grants received to enable the Group to acquire properties for social purposes. Should the properties to which the grants relate cease to be used for social purposes the grants may be repayable in full. The total grants received by the Group in respect of owned property are as follows:

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Grants credited to Income & Expenditure	3,137	3,137	3,249	3,249
Deferred grants (Notes 18 & 19) – Social Housing Grants	5,959	5,959	6,948	6,948
Deferred grants (Notes 18 & 19) – Other Government Grants	864	864	879	879
Total	**9,960**	**9,960**	**11,076**	**11,076**

22. Transfers between reserves

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Movement in restricted funds				
Net income /(expenditure of restricted funds for the year)	1,360	413	(649)	(1,227)
Restricted reserves formerly held by CAN* and Croftlands Trust	(93)	(93)	(187)	(187)
Movement in restricted funds	1,267	320	**(836)**	**(1,414)**
Movement in revaluation reserve				
Net revaluation (loss) / gain	**(230)**	**(230)**	**204**	**204**
Movement in pension scheme reserve				
Net movement in recognised pension scheme asset	**3**	**3**	**(52)**	**(52)**
Total transfer from / (to) general fund	**1,040**	**93**	**(684)**	**(1,262)**

CAN* is the County of Northampton Council on Addiction

23. Restricted reserves

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Mental illness services to be provided in Cumbria (formerly held by Croftlands Trust)	1,707	1,707	1,736	1,736
Alcohol, drugs and gambling Services				
- Held by Aquarius Action Projects	5,650	-	4,703	-
- Other (Formally Known as CAN)	547	547	611	611
Legacies & Donations	413	413		
Sundry	16	16	16	16
BIG Lottery	29	29	29	29
	8,362	**2,712**	**7,095**	**2,392**

During the year, we reclassified Employment services and Other small items as unrestricted reserves after a review of some the contracts. The review led us to conclude, the contractual conditions indicated they were inappropriately classified as restricted reserves in prior years.

24. Designated reserves

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Maintenance	**184**	**-**	**184**	**-**

25. Other reserves

The general unrestricted fund represents the accumulated surpluses generated by the Group / Company since inception, to the extent that they are not represented by other reserves.

The revaluation reserve represents unrealised gains arising on revaluations of investments.

The pension reserve represents the recognised surplus on the assets of the Group's defined benefit pension scheme.

26. Other commitments

The Group holds housing accommodation, office premises and equipment on non-cancellable operating leases. The Group is expected to make the following future minimum lease payments under non-cancellable operating leases:

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Within one year	299	255	476	426
Two to five years	109	109	255	254
More than five years	465	465	466	466
	873	829	**1,197**	**1,146**

In addition to the above commitments, the group also occupies various properties under licence. Although the licences can be cancelled with minimal notice by either party, it is expected that the majority of licences will continue. The expected payments under such licences for both the Group and the Company is estimated as being £2.2 million (2022; £2.1 million).

27. Accommodation in management

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

	2023 Owned No.	2023 Managed No.	2022 Owned No.	2022 Managed No.
Social Housing				
Supported Housing	255	372	275	402
Residential Care Homes	66	26	67	26
Total Units in Management	**321**	**398**	**342**	**428**

28. Financial instruments

As at the year end, the Group's financial instruments were as follows:

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Financial assets held at fair value	3,772	3,772	4,002	4,002

Included in the Statement of Income and Expenditure are the following amounts:

	2023 Group £000	2023 Company £000	2022 Group £000	2022 Company £000
Interest income on financial assets held at amortised cost	327	241	12	9
Interest expense on financial liabilities held at cost	(10)	(10)	-	-
Income from assets held at fair value through profit and loss	156	156	145	145
Change in value of assets held at fair value through income and expenditure	(230)	(230)	204	204

29. Subsidiary undertaking

Richmond Fellowship has one subsidiary undertaking, Aquarius Action Projects ("Aquarius"), which is a registered charity (number 1014305) and a registered company (number 02427100) having its registered office at 236 Bristol Road, Birmingham, B5 7SL. Aquarius works with individuals, families, carers and professionals around issues of alcohol misuse, drug misuse, gambling and other behavioural problems.

30. Related party transactions

During the year the following transactions took place between Richmond Fellowship and its subsidiary companies:

Overhead recharges from the charity to:	2023 £000	2022 £000
To Aquarius Action Projects	297	297
From Aquarius Action Projects	(34)	(34)
Total	**263**	**263**

All transactions are charged at cost. Such costs are either direct or are apportioned based on estimated staff time. The total overheads subject to apportionment were £6,154k (2022: £5,913k).

31. Reconciliation of surplus for the year to net cash generated from operating activities

	2023	2022
	£000	£000
Surplus for the year	798	2,290
Movement on fair value of investments	230	(204)
(Surplus) on disposal of fixed assets	(683)	(151)
Net Interest (received)	(488)	(148)
Depreciation and impairment charges	886	1,147
Pension net service cost	11	63
Movement in debtors	248	36
Movement in creditors	68	1,114
Movement in inventories	(4)	(41)
Net cash inflow from operating activities	1,066	**4,106**

THE RICHMOND FELLOWSHIP

England & Wales - Charity number 200453

Accounts

RICHMOND FELLOWSHIP
MAKING RECOVERY REALITY

Annual Report and Financial Statements 2021-2022

RECOVERY FOCUS
an expert group of charities **inspiring individual recovery** nationwide

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RICHMOND FELLOWSHIP GROUP BOARD MEMBERS AND ADVISERS

BOARD MEMBERS

Non-Executive Directors

Helen Edwards	Chair
Martin Allen Morales	*(resigned 16 July 2021)*
Ian Ayling	*(appointed 2 June 2021)*
Kapil Bakshi	
Geoffrey Bland	*(resigned 31 August 2021)*
Albert Fletcher	
Anne Tansi Harper	*(resigned 31 May 2021)*
Maureen Hopcroft	*(appointed 1 September 2021)*
Peter Molyneux	*(resigned 31 March 2022)*
Rachel Perkins	
Alan Powell	Vice Chair
Jonathan Royle	

Executive Directors

Derek Caren	Group Chief Executive
Tracey Bell	Group Director of Performance, Quality & Innovation
June Riley	Group Director of Finance
Robert Templeton	Director of Operations (Richmond Fellowship)
Mary Wishart	Group Director of Business Development

SOLICITORS

Bates Wells & Braithwaite LLP (trading as Bates Wells)
10 Queen Street Place
London EC4R 1BE

BANKERS

Lloyds Bank Plc
4th Floor
25 Gresham Street
London EC2V 7HN

INDEPENDENT AUDITOR

CLA Evelyn Partners (formerly Nexia Smith and Williamson)
Statutory Auditors
Chartered Accountants
45 Gresham Street
London EC2V 7BG

REGISTERED OFFICE

80 Holloway Road
London N7 8JG

COMPANY REGISTRATION

662712

CHARITY NUMBER

200453

REGISTERED PROVIDER OF SOCIAL HOUSING

H2025

WEBSITES

www.recoveryfocus.org.uk

www.richmondfellowship.org.uk

Introduction from the Chair and Group Chief Executive

Welcome to the Board Report and Accounts for the year ended 31 March 2022.

We are now well into our 3 Year Group Strategy, "**Growing Stronger Together**" and despite the everyday challenges from managing life with and after COVID-19 we continue to press ahead with our strategic priorities. At the same time, we are very aware of the economic challenges faced by the people we support and by our staff. Many of these challenges also create risks for Recovery Focus. The Board has therefore worked closely with the Group Leadership Team to look at how we might transform the business to help manage those risks, to provide an improved pay offer for our staff and to provide more support to those who most need it.

Despite the pressures, we have achieved a lot. Amongst the highlights of the year has been the progress with our Working Together Strategic Plan, making coproduction central to our models of care and support thereby ensuring truly personalised provision for all. No indicator has expressed this more than the level of coproduction of care plans which currently stands at 82% of people we support, a terrific turnaround from the 20/21 level of 50%. In the coming year we will supplement this positive direction of travel by switching from annual satisfaction surveys amongst the people we support, to on-going pulse surveys to give the Group a regular update on areas of excellence and opportunities for improvements. The number of clients with positive or stabilised scores in their recovery journey outcomes stands at 92% and 96% of people we support feel that they are treated with dignity and respect by service staff. This is an excellent set of metrics.

To support this work, the Board and Group Leadership Team have engaged in a root-and-branch review of our operating models and sectors, so that good practice can more easily be fed into similar models of provision. During the coming year we will support this development by the creation of Working Together Committees for each operating sector so again we can get direct input from those who use our services into planning, improvements and performance monitoring.

At the end of last year, we opened another new Crisis House in Blackpool working evermore closely with NHS Commissioners to ensure that there remain safe alternative spaces for care that are outside a hospital setting. We hope to deliver our first Crisis House in the South of England over the coming year as we work closely with NHS Partners, existing and new, to relieve pressures on hospital settings.

The Board were hugely proud of everyone across the Group when Aquarius succeeded in achieving Gold Investor's in People (IiP) status and shortly thereafter RF retained its Silver accreditation. Again, given the challenges being faced these were two terrific endorsements of the Group valuing and listening to its workforce.

The Old Moat Garden Centre and Café in Surrey, our biggest social enterprise, won the Good Retail Awards Community Award for the third year. The work that is done here is amazing and we hope to further develop the service in the coming year. Also in 22/23, the Aquarius Evolve Café will have a concession at the 2022 Commonwealth Games in Birmingham which will raise visibility of the excellent work done in this service.

All these achievements underline the skill and commitment of our staff and volunteers and the contribution made by the many people who support the organisation. I would like to thank them on behalf of the whole Board.

Finally, after many years of service we said goodbye during the year to Board members Tansi Harper, Geoff Bland and Peter Molyneux who all contributed a huge amount to Recovery Focus. We have been pleased that Ian Ayling and Maureen Hopcroft have joined us as new Board members and more recently welcomed Susan Moore and Paul Najsarek as we broaden the skills base of the Board and build our governance for the future. I very much look forward to working with them and to another successful year for Recovery Focus.

Helen Edwards
Helen Edwards (Aug 5, 2022 12:23 GMT+1)

Helen Edwards
Chair

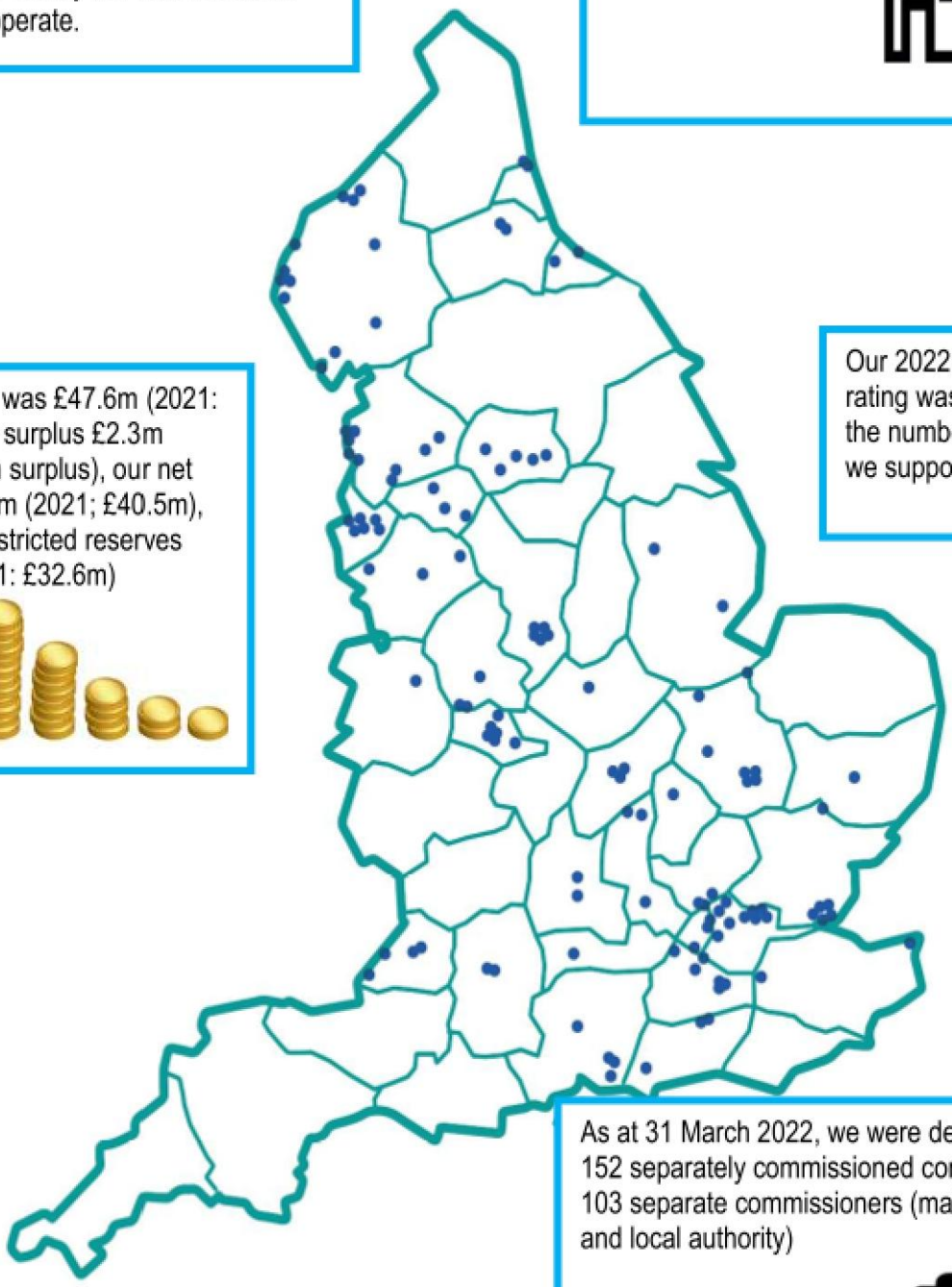
5 August 2022

REPORT OF THE BOARD

KEY HIGHLIGHTS

We provided residential services from 275 owned properties, 402 managed homes, 67 beds in registered care homes and 36 beds in short-term crisis centres.

Across England we supported 21,258 people. This map shows more clearly the areas in which we operate.



Our turnover was £47.6m (2021: £45.3m), our surplus £2.3m (2021: £2.0m surplus), our net assets £42.8m (2021; £40.5m), and our unrestricted reserves £35.7m (2021: £32.6m)



Our 2022 satisfaction rating was 89% with the number of people we support.

As at 31 March 2022, we were delivering 152 separately commissioned contracts for 103 separate commissioners (mainly NHS and local authority)

STRATEGIC REPORT

The Group Board presents its annual accounts for the year ended 31 March 2022. This report is prepared in compliance with the Charities Act 2011 and the Companies Act 2006.

Our Group comprises Richmond Fellowship (RF) and Aquarius Action Projects (Aquarius) (together known as, "Recovery Focus"). RF and Aquarius are both registered charities and RF is also a registered provider of social housing.

Our Group brings together expertise in the fields of mental health, addictions and domestic abuse. The people we support often have complex and multiple needs. One of the key advantages of being a group is our ability to work together to create joined up solutions for such complexities and we are accustomed to sharing lessons learned to ensure that the people we support can have a tailored, co-produced personal recovery plan that can address all of their needs. All of our strategic priorities focus on delivering the best possible outcomes for people we support.

Going forward, we will continue to work with (and develop new) strategic partners to combine our expertise and deliver better outcomes for the people we support and together "do better business". We believe a collaborative approach is working increasingly effectively in the evolving care and support market where the pressures on commissioners and providers alike are inspiring everyone to respond more creatively.

OUR ACTIVITIES AND MODELS TO SUPPORT RECOVERY

We are a group of charities highly experienced in providing specialist support services to individuals and families living with the effects of ill mental health, drug and alcohol use, gambling, and domestic abuse. All our partners share a rich history of providing support to people when they need it most. At Recovery Focus, we know that one size cannot fit all, and we pride ourselves on working with the people we support to create a personalised plan that works for them. Although each of our services is unique, we specialise in a range of models to support recovery, each of which sits within a designated operating sector.

The principal activities of our operating sectors' structure are as follows:

- Mental Health Support Crisis Services - our crisis services offer intensive, short-term support to help people manage a mental health crisis. Our services include residential crisis support and community-based safe havens.
- Mental Health Community Based Services - our community-based services support the recovery and resilience of people with mental health needs, delaying or reducing the need to access intensive services.
- Mental Health Employment Services - employment services focus on getting people into mainstream employment at a pace that is right for them and/or enabling people to retain their current job by facilitating a support package with their employer. Our services do not exclude people on the basis of diagnosis or supposed 'work readiness'; we support anyone who wants to gain or stay in work.
- Mental Health Floating Support Services - our floating support services work with people experiencing issues with their mental health in their own homes.
- Mental Health Residential Recovery Services our services provide accommodation and support to people with mental health conditions who may be at risk of repeat homelessness or would otherwise be accessing intensive NHS mental health, services.
- Social Enterprise - we run a range of social enterprises that not only provide an income stream but also employment opportunities, training, and development for the people we support.
- Domestic Abuse Services - our domestic abuse services work with survivors and perpetrators in a range of services including peer support, domestic abuse assessments, and perpetrator programmes.
- Drug and Alcohol Services - our services provide support to those impacted by drink, drug and gambling addictions. Our services are based on the idea that behaviour is learned and maintained in the context of each person's whole life - the family, employment, housing, biology, cultural backgrounds and other personal social challenges.
- Gambling Services - we provide support, information, and advice to anyone affected by gambling, providing specialist services tailored to young people, adults and their family or friends.

Our Group Strategy, Corporate Plan and Business Models

We have just completed the second year of the Recovery Focus Group Strategy (2020-2023) entitled ***Growing Stronger Together*** which has a primary goal of *Inspiring Recovery* through the strengthening of the quality and range of our services. To deliver this aim we identified five key enablers which are:

- put people we support at the heart of everything we do
- build an effective and motivated workforce
- secure and maintain stable finances
- develop an efficient and effective infrastructure
- build our evidence and demonstrate our impact

Delivery of these is underpinned by Strategic Enabling Plans which map out the journey from where we are now to where we want to be and the key milestones ~~along~~ the way. Board Committees are charged with the oversight of the progress against these plans, which despite the wider challenges of the pandemic, are progressing well, and helping to build a stronger and more effective Group.

Information and Computer Technology (ICT) plays a big part in this, and our digital ambition and platforms were given more impetus by the continuing challenges of the pandemic. Our investment strategy continues to ensure we are well equipped and sufficiently modernised to better deliver our services for the future.

Corporate Plan 2021/22

Our key targets for delivery in the second year of the Group Strategy were drawn together in the Corporate Plan 2021/22. The early part of the year was devoted to supporting our services to continue to negotiate the pandemic, whilst also learning from our innovations and creative working as to what new initiatives has a strong impact on the well-being of the people we support and therefore could be integrated into the delivery model for that service (and potentially others).

In the second half of the year, as services adjusted to living with the pandemic, we focused on helping the people we support to find a framework for regaining their freedoms. Some people have been very strongly affected by what has happened and keeping our people safe and ensuring they feel supported has become even more of a priority. Nonetheless, the number of deaths amongst people we support has sadly been rising. Every loss is a tragedy, and every event can yield learning, but coping has been challenging for front-line staff and the people supported alongside those who felt unable to cope.

In parallel, as people start to reflect on their own lives post pandemic, risk due to staff turnover within our organisation has risen significantly after a period of relative stability. All pressures on services are closely monitored and we speak regularly with commissioners to ensure they are clearly aware of our current resourcing position and how we are managing this risk. Finally, the cost-of-living crisis is really starting to bite for the people we support and our workforce alike.

In spite of these increasing risks, besides our delivery programme for the 2020-23 Group Strategy and our ongoing continuous improvement plans, we have made a number of significant achievements which included:

- expanding the number of roles within our organisation for people with lived experience (including apprenticeships). This really benefits our person-centred approach and our co-production ethos which increasingly now touches every activity we deliver.
- all services now participating in an Annual Self-Assessment process, to review performance against commissioner goals, local risks, and improvement plans for the coming year. This is central to our local focus and each of these plans is co-produced, across all service sectors.
- An expansion of our ability to gather and analyse ongoing feedback data to create a body of evidence around the effectiveness of services and areas that require further action. This will be much expanded upon in 2022/23.
- developing a more flexible workforce and empowering our staff to work in new ways. We are using innovation and better technology to adapt how we deliver and make sure we have the evidence to show this is far more effective in terms of improved outcomes.
- Continuing a positive dialogue with staff council and Unite, our recognised union to share our challenges and work through them collaboratively.
- overhauling learning management to deliver a far more consistent approach to training and awareness campaigns.
- Aquarius completing a review of how it recruits and retains a skilled and engaged workforce.

- significantly strengthened financial controls frameworks to allow devolved management but at the same time ensure weaknesses that will potentially lead to fraud cannot occur. This streamlining of processes prepares us well for the future and simplifies accounting. Our cash, net margin, reserves and new business targets are also firmly on track.
- working ever more closely with our key commissioning partners to build our relationships and help them to evolve for mutual benefit in both Richmond Fellowship and Aquarius.
- successfully rolling out Office 365, allowing staff to work more flexibly and collaboratively and giving self-service access to a significantly increased number of areas. This will now allow us to look more closely too at how we deliver central services to streamline overheads where possible, pushing more resources to the front-line.
- enhancing our existing core systems to give us better, faster data to a more granular level to enable local management to closely monitor its areas for improvements. This will also help us to better evidence progress made by people we support.
- making significant strides to improve the consistency of our approaches by redefining our operating sectors and models to support recovery. We have learnt from the past and facilitated far better internal benchmarking and collaboration - both between delivery teams and in terms of co-producing models with the people we support

REVIEW OF THE YEAR AND KEY PERFORMANCE INDICATORS

Overall, in 2021/22, the Group achieved a turnover of £47.6m increasing from £45.3m in 2020/21. Most of the increase in turnover is a direct result of continued increases in tendering activities and demand for community-based projects like employment services, crisis housing and drug and alcohol support around the country. Our operating surplus, before property disposals and other income, increased by £1.4m to £1.8m (2020/21 £0.4m)

We continued to operate under the shadow and long-term effects of the COVID-19 pandemic for the first half of the financial year and started to see the impact of the cost-of-living crisis which dominated the last quarter of the year. These two major external pressures influenced how we operated in the year and the subsequent financial performance of the Group. Like many other businesses in the sector and the wider economy, we saw a significant increase in the level of our staff vacancies. The staffing underspend contributed to the surplus. In the year, we conducted a review of some of our staff salaries and made increases where this was appropriate following market testing. In addition, we made a decision to implement the National Living Wage ahead of the government's timescale.

High property voids resulted in an increase in our void loss. Our referrals reduced in some areas of the country where the pandemic saw less move-on in some of our services. Working with our NHS partners however meant our Crisis and Step-Down Services continued to thrive as alternative places of safety, care and support for whom hospital can be a challenging environment for personal recovery.

As with other businesses, we saw increases in the costs of many of our essential items required by our services due to inflation increases at a time when service income remained static. We have started to adopt new procurement routes to mitigate this risk as much as possible, but are aware this challenge will continue into the new year. We are continuing to look at other areas that offer scope for more procurement efficiencies.

People we support to achieve their recovery outcomes

In 2021/22, 21,258 people were supported in their personal recovery by our services (2020/21; 18,267), each with a personalised care plan. The full breakdown of activity within the Group over the past year is as follows:

	2021/22	2020/21
Social housing provision:		
In supported housing	1,018	1,040
In registered care homes	150	145
Non-social housing accommodation:		
Care home with nursing	0	12
Crisis	1,543	1,700
Non-accommodation services:		
Crisis Haven (new service)	2,201	0

Employment related	2,440	2,412
Floating/community	5,479	5,382
Domestic abuse	1,163	820
Substance use/gambling	7,264	6,756
TOTAL CLIENT ACTIVITY FOR THE YEAR	**21,258**	**18,267**

We monitor a range of indicators amongst which include:

Activity indicators	2022	2021	2020
Number of CQC registered services not meeting all core standards	0	0	1
Referral to treatment time of >3 weeks for treatment services	1.4%	0.7%	5.1%
Satisfaction indicators			
Clients surveyed who felt involved in planning their individual support	92%	90%	94%
% of clients with positive or stabilised scores in their recovery journey outcomes	91%	92%	92%
% of client exits planned – Richmond Fellowship services	92%	90%	92%
% of client exits planned – Aquarius services	72%	72%	68%
% of clients satisfied with the quality of their service	89%	90%	93%
% of residential clients (Richmond Fellowship only) satisfied with the quality of their accommodation	77%	75%	84%

These key indicators have shown remarkable consistency at a time when the environment remained uncertain. This is a tribute to our front-line staff who work so hard to support the people we support to achieve their recovery goals. Our indicators benchmark well against national metrics and our drive for continuous improvement will continue to underpin core satisfaction with our services on a more granular level to ensure we are delivering for each model of recovery.

Satisfaction

In November 2021, when we conducted our Annual Satisfaction Survey with people we support across our services, there was a drop in the response rates overall. We plan to work towards surveys on a rolling basis in the medium future and look specifically at feedback from exit surveys (akin to the NHS), when people we support services and also pulse-surveys so that we can see satisfaction trends on a rolling basis.

There have also been a higher number of serious incidents, including deaths, amongst those supported by our services. Every lost life is a tragedy. We know we need to learn from each and every high-level incident and our approach to internally review all high levels incidents as well as supporting any statutory inquiries is robust.

The overall satisfaction score was down slightly at 89% (2021; 90%). 92% (2021; 95%) of responses confirmed that the support we had offered had improved their life with 92% (2021; 90%) positively stating that they felt they had been directly involved in the planning of their personal support. Scores at service level are shared with local management and these are part of the foundation for quality improvement plans for the coming year.

We are currently reviewing our feedback process and aim to move towards continuous feedback approach rather than it being via an annual survey. We are also developing a new and exciting framework for being able to access real-time information across all of our systems within the Group to contrast and compare results between our different operating sectors. This will allow us to be far more analytical in developing improvement plans which don't focus on averages, but pro-actively support performance at a more local operational level to raise overall consistency and quality standards. This new ability to use smart data will be built around empowering local management to review at any point their local performance and make comparisons with peer services. This self-service approach is the cornerstone of being able to make continuous improvement a "bottom-up" process. In turn, it will allow the Leadership Team and the Board to access more granular level information to be able to better support teams to make adjustments to benefit services through better quality and financial data alike.

FINANCIAL REVIEW AND FIVE-YEAR SUMMARY

Financial performance in the year

The care and support sector continued to be impacted by the effects of Covid-19 in the first half of the financial year. Other externally driven factors including vacancies and the cost-of-living dominated the latter part of the financial year. In a sector that is run on traditionally low margins, despite playing a key role in supporting some of the most vulnerable in our society, cost pressures bite deeply. Despite these difficulties, the Group reported a full year surplus of £2.3m, (2021; £2.0m) representing an increased return on income of 4.8% (2021; 4.3%).

Overall, Group turnover increased by 5% to £47.6m in 2022 (£45.3m, 2021). The increase of £2.3m was largely explained by a growth in contract income from community-based support services. The table below details the breakdown of our performance, together with the comparatives for previous four years.

The increase in surplus is mainly driven by the increased number of contracts delivered with a corresponding increase in the number of people who receive our support. The Group continues to focus on developing relationships with existing and new commissioners in areas identified for growth. We partner to create joined-up support propositions for people in need of support and we continue to see commissioner appetite for support both in residential schemes and in people's own homes.

We sold two properties in the year as they became vacant at the contract end. We have also strategically withdrawn from a small number of contracts which were no longer viable within the quality standards we had set for the provision of these services. The continued review of the fitness for purpose of our properties and commissioner appetite for greater support for people in their own homes, created a voids situation which was 22% higher than the previous year. We believe the work we are doing to re-evaluate the demand and use of our property portfolio will address this problem in the future as we re-visit the shape of the services being delivered from some of these properties.

Adapting our model offering and winning new business brings with it the challenge of set-up costs and recruiting staff in an intensive labour-driven market. As a result, both operating costs and overheads showed year-on-year increases as unit cost of provision rises.

We invested £1.4m on acquisition and upgrade of fixed assets and increased our cash balances from £14m to £17m, which represent a cash to net asset ratio of 40% (2021, 34%). This will allow us to continue to strategically invest in the infrastructure needs that are so vital to our future. The cash balances provide strong liquidity to meet our obligations, but also presents management risk of how best to hold these cash reserves until suitable investment projects are worked up. A testament to our treasury strategy is highlighted by the results of the £4.0m we have invested in ethical funds which yielded £0.15m in dividends and increased in value by £0.20m.

The value of our pension assets reduced by £0.02m (2021; an increase of £109k), reflecting changes in actuarial assumptions and forecast valuations. Richmond Fellowship is the sole employer of the 2Care Pension and Life Assurance Scheme, where the net value of the pension Scheme reserve fell slightly to £0.48m.

The table below shows our financial performance and statistics for the past five years.

Financial highlights in £'000	2022	2021	2020	2019*	2018*
Statement of comprehensive income					
Rental income and service charges	8,200	8,713	8,577	26,261	24,801
Non-rental income	39,361	36,849	37,685	20,386	18,932
Total revenue	**47,561**	**45,562**	**46,262**	**46,647**	**43,733**
Operating cost	(45,774)	(44,910)	(47,089)	(48,247)	(44,425)
Core operating surplus	**1,787**	**652**	**(827)**	**(1,600)**	**(692)**
Surplus on disposals	151	433	-	1,929	60
Operating surplus	**1,938**	**1,085**	**(827)**	**329**	**(632)**
Net interest & investment income/(loss)	352	786	(79)	282	195
Actuarial (Loss)/Gain on pensions obligations	(2)	109	(291)	21	(128)
Surplus for the year	**2,288**	**1,980**	**(1,197)**	**632**	**(565)**

** 2019 and 2018 rental revenue have not been restated to reflect recent re-analysis of this income source*

Group Cash & Cash Equivalents	2022	2021	2020	2019*	2018*
Opening Cash balance	13,946	11,184	9,316	13,198	16,449
Net Cash from operating activities	3,221	2,762	1,868	(3,882)	(3,251)
Closing Cash balance	**17,167**	**13,946**	**11,184**	**9,316**	**13,198**

Statement of Financial Position	2022	2021	2020	2019*	2018*
Non-current assets	30,267	30,304	30,222	30,944	29,556
Current assets	27,759	24,330	21,214	22,363	21,961
Current liabilities	(7,516)	(6,283)	(4,609)	(4,704)	(3,391)
Long-term creditors	(7,712)	(7,830)	(8,286)	(8,865)	(9,020)
Net assets	**42,798**	**40,521**	**38,541**	**39,738**	**39,106**
Restricted funds	7,095	7,931	7,789	7,758	7,781
Unrestricted reserve	35,219	32,052	30,304	31,228	30,582
Pension reserve	484	538	448	752	743
Total reserves	**42,798**	**40,521**	**38,541**	**39,738**	**39,106**

Financial Statistics	2022	2021	2020	2019*	2018*
Surplus for the year as % of turnover	4.8%	4.3%	(2.6%)	1.4%	(1.3%)
Operating margin	4.1%	2.4%	(1.8%)	0.7%	(1.4%)
Operating cost as % of revenue	96.2%	98.6%	101.8%	103.4%	101.6%
Operating surplus (before overheads)**	8,701	7,447	6,400	5,700	6,000
Contribution Margin (before overheads)	18.3%	16.3%	13.8%	12.2%	13.7%
Capital Investments	1,424	2,014	1,300	3,500	4,300
Capital investment (as % of opening cash balance)	10.2%	18.0%	14.0%	26.5%	26.1%
Cash & investments as % of Net Assets	49.5%	43.8%	37.2%	32.2%	42.4%

***This represents turnover less operating expenditure before overheads*

PRINCIPAL BUSINESS RISKS AND UNCERTAINTIES

We review risk quarterly by:

- A Group risk register that reads across between risks, but closely aligns with our Group Strategy. The new focus of the register is the risk's direction of travel and the management actions to tackle controllable risk and adapt our frameworks to work with the effects of less controllable risks.
- Operational and functional risk registers that underpin the corporate register and allow reporting of "bubbling under" risk.
- Further work to operationalise how we manage risk on a day-to-day basis – further embedding our risk culture.
- Disaggregating our mapping of controls and assurances so there is a clear order of dependency between our first, second and third line controls and how we use these to impact our risk management.

Our internal auditors work with us throughout this programme and the approach to risk is consistent and thoroughly considered across all parts of our governance structures.

During the first half of the year, we continued to intensively manage our approach to protecting the people we support and our staff during the **pandemic**. We stabilised our approach to managing the pandemic on an ongoing basis in line with the emerging guidance. We continue to remain fleet of foot to deal with local pressures and new methods of delivery as we seek to deliver as close to "business as usual" in terms of our outcomes as possible. Policies and processes are being continually refreshed to reflect these new ways of operating. Nonetheless, at the end of the year, much of the work to mitigate this risk has been mainstreamed and we do not expect this challenge to have a high residual risk rating in the medium term.

As we emerge from the impact of the pandemic, our principal resource risk is **enduring high levels of staff turnover** and its resultant impact on the continuity of service and morale. Many people have re-evaluated their work commitments and are changing priorities. In parallel, businesses like ours are finding it hard to

recruit in a sector where care workers' salaries are low, and are being further challenged by cost-of-living increases. Labour markets have got progressively tighter since Brexit and cross-sector competition for the most effective workforce is proving to be extremely challenging. This is something that some commissioners are working with us to tackle. The People Committee, reporting to the Group Board and the Aquarius Board maintains a close oversight of this risk.

Staff turnover and its impact on service delivery is closely monitored to ensure we deliver **safe and effective services.** The goodwill of our staff, drawn from helping people in acute need and furthering our charitable objectives, is to be commended.

Increases in inflation are contributing to cost pressures in many areas. Our value for money initiatives (detailed elsewhere within this report) are stemming these pressures and smarter procurement to drive efficiencies are being introduced. We have succeeded in attracting new business but this is against the constant background of extracting further efficiencies and economies of scale from our existing work. This impacts our ability to remain **sustainably viable** whilst managing this key risk.

Finally, as demand and service models change, so does the way we use our premises. Many of our buildings, for both residential and non-residential services, are less fit for purpose against the latest commissioning expectations. In 2022/23 we will publish a new Estates Plan to refurbish as required but also recycle through sale and reinvestment, to meet new needs and expectations of the people we support and commissioners alike. Some of these changes will be achieved through joint investment and delivery with other partners.

COMPLIANCE WITH OUR STATUTORY DUTIES UNDER SECTION 172 OF THE COMPANIES ACT

The directors of Richmond Fellowship always adhere to acting in a way that they consider, in good faith, will be most likely to promote the success of the company for the benefit of the people we support in the long term (as well as the immediate needs of our current beneficiaries). To do this we pay regard to:

(a) the likely impact and consequences of all our decisions in the immediate and long term, with social and financial returns clearly spelled out alongside the wider impact assessments.

(b) the interests of all of our stakeholders, through working closely with, and listening to, issues flagged by the people we support, our staff (including volunteers), our commissioners, regulators and all of our suppliers and customers, taking seriously all feedback we receive to help us to deliver on this commitment.

(c) clearly understanding the impact of our services and their delivery, whilst continuing to provide value for money services, on our local and wider communities and the environment generally; and,

(d) conducting our business to a high standard, which is reflected in how our staff approach their work and in our expectations of our partners and providers to ensure this ethos permeates every aspect of our delivery.

Examples of how we have conducted our operations in this way over the past year are referenced throughout this report, together with relevant targeted improvement plans.

DIRECTORS REPORT

FINANCIAL RISK MANAGEMENT

We proactively seek to minimise our exposure to risk wherever possible. A potentially significant risk is the credit risk from bank balances. We also face market risk from listed investments and liquidity risk from our trade debtors. Trade debt remained challenging during the pandemic: so too the effects of increased cost of living crisis. We have had to find new ways of working, but with close management scrutiny and clear accountability, we have managed to keep a very firm grasp on this area. Much of our trade debt by value is due from the government in one form or another, so ultimately credit risk is not considered to be significant.

The Group has a treasury policy that underpins how our liquid resources are managed. The policy includes liquidity limits, security of investments and approved counterparty ratings. It is regularly monitored by the board and reviewed in consultation with our treasury advisers. Investments are split between the Cazenove Charity multi-asset fund and CCLA-COIF's ethical fund (relatively low risk funds), both portfolios engaging only with opportunities which can demonstrate high ethical standards. Investment managers present regularly to our Business and Finance Committee to ensure that the evidence of these standards is robust.

We remain free of loan financing and as such, covenants, gearing and securitisation are not currently a risk for us.

We continue to pursue a strategic use of our reserves as rates of return for cash balances remain poor. The returns achievable under this strategy are a more beneficial use of reserves.

POST BALANCE SHEET EVENTS

There are no post balance sheet events to disclose other than, On 1 April 2022 Susan Moore and Paul Najsarek joined the Board.

OUR PEOPLE

Our People Strategic Plan is key to our delivery of the Group Strategy 2020-23 and we made further important progress in the year to move closer to our key deliverables in that plan.

Our staff are essential in what we do and to the long term success of the business. We are continuing to work with our staff to develop a new, fairer pay and reward system and we are seeking to attain market medians as the over-arching goal for our pay strategy.

We continue to drive for more consistency across our services, more autonomy for local management and a more substantial role for peer support workers and volunteers in our services (who may or may not be pursuing routes into employment), in addition to doing more to recruit people with lived experience. All these initiatives mean our staff are in an even better position to support people on their recovery journey. We continue to work with commissioners to offer more services (across all our recovery models) using this approach.

Richmond Fellowship has a solid, long-standing trade union recognition agreement with Unite and has a formally constituted Joint Negotiation Committee (JNC) for matters relating to pay (both contractual and non-contractual). Both Richmond Fellowship and Aquarius have Staff Councils which function well and meet quarterly to run through key issues around the running of both businesses and how these impact staff and their ability to be productive. Reports from these meetings are reviewed by the People Committee of the Group Board and the Aquarius Board.

During the year we paid particular attention to the following indicators. The table below gives a snapshot of the 31 March position in each year.

Activity indicators (annualised)	2022	2021	2020
% of days lost arising from sickness	3.9%	2.4%	4.6%
% of voluntary turnover in the past 12 months	37%	21%	29%
% of workforce from BAME backgrounds compared to client %	+3.3%	+1.5%	+0.3%
Client satisfaction indicators			
Client feels staff treat them with dignity and respect	96%	95%	97%
Client feels keyworker listens to client's views and acts on them	94%	94%	96%

Client feels supported by staff to achieve plan goals	93%	93%	96%

Staff surveys were taken both early in the year (in relation to the handling of the pandemic) and towards the end of the year (for our Investors in People re-accreditation).

Our Group workforce at 31 March 2022 comprises the following:

- 72% female (70.8% in Richmond Fellowship and 77.4% in Aquarius). This is higher in front-line services (72% compared to 60% in office-based functions). As at 1 April 2022, 43% of the Group Leadership Team and 47% of the Richmond Fellowship Board are female.
- 19.3% of the Group's workforce self-classify their ethnicity other than white (19.9% in Richmond Fellowship and 15.5% in Aquarius) – the equivalent data for the Group Leadership Team and Board is 14% and 20% respectively.
- 5.0% of staff consider they have a disability (5.5% in Richmond Fellowship and 1.9% in Aquarius);
- 10.2% of the Group's workforce is under 25 (11.0% in Richmond Fellowship and 5.8% in Aquarius); 43.3% of the Group's workforce is aged 25-44 (41.8% in Richmond Fellowship and 52.9% in Aquarius); 46.5% of the Group's workforce is over 45 (47.3% in Richmond Fellowship and 41.2% in Aquarius).
- 3.9% of staff consider they have lived experience of the issues that our services currently support (ranging across mental health, substance use, gambling and domestic abuse). This breaks down to 4.3% in Richmond Fellowship and 1.9% in Aquarius.

A cross-functional project group is working through an Action Plan relating to Equalities, Diversity and Inclusion improvements across the Group to ensure our organisation is representative of the people we support and the communities where we provide services. We are working through improvements to our Impact Assessment process to be assured that the chances of wellbeing and achieving recovery goals are equal for all groups of people irrespective of personal characteristics.

At 31 March 2022 our services were supported by 186 volunteers (173 in 2020/21) in place across the Group, 24 in Aquarius and 162 in Richmond Fellowship. This is a steady expansion of volunteers supporting our staff to improve life changes for those we support. Over the past year, their contribution represents 1,449 hours of support and we will continue to unlock the further potential that volunteers can bring to our service delivery.

DIVERSITY, EQUALITIES and SOCIAL RESPONSIBILITY

We are committed to social inclusion, which is a vital part of our aim to reduce stigma faced by the people we support. It is important to us that our organisation reflects and celebrates the diversity of the communities we serve, and our commitment is a golden thread through our organisational culture, as well as our key strategies, policies and processes. Our workforce is a very strong reflection of the diversity of the people we support, and we measure this closely to be sure of the balance.

In the year, both Richmond Fellowship and Aquarius sought Investors in People reaccreditation. We were delighted that the outcome of this was a Gold Award for Aquarius and a Silver Award for Richmond Fellowship. This is a real cause for celebration and again, there was a significant amount of learning that came out of the review which in turn has generated an action plan that we will progress over the coming years.

We believe that inclusion and social responsibility is a dynamic goal which requires constant monitoring, clear leadership and strong training and awareness programmes. Senior leadership have looked during the year at more closely defining our cultural identity and we are currently in the process of re-evaluating our business plans across the organisation to ensure that our values and the areas of significant cultural importance to us, are front and centre of the work every team is engaged in.

Our training programmes, which underpin our ethos, but also deliver safe and effective services on the frontline, are delivered through a variety of routes via our main Workday system, so we can track individual development and ensure our people have the skills and knowledge to deliver their roles. Our training and awareness programmes extend to board members, staff, peer support workers and volunteers, and other delivery partners without whom we cannot effectively support those people using our services.

Through social enterprise, we can directly engage with communities where our services are located, supporting the integration of those who are part of our social enterprise services into local communities. It has been another tough year for our social enterprises, with business models affected greatly by people's work and leisure patterns since the pandemic. However, the social return on these services remains high and as the world finds a "new normal", we are supporting them by making adjustments to ensure they retain sustainable long-term business models. Of particular note is our award-winning Old Moat garden centre in

Surrey, supporting a significant number of people, and also the Aquarius Evolve service which is gearing up to deliver services for the 2022 Commonwealth Games in Birmingham.

The physical and emotional well-being of the people we support, and our workforce, remains a firm commitment and one that has never been more needed in these harsh economic times. We are supporting the establishment of special interest groups across the workforce, covering well-being, lived experience, LGBTQ+, ethnic minorities and disability to support us in our drive to ensure we can champion recovery for all people we support, no matter what their background or personal characteristics might be.

ENVIRONMENT

We are committed to improving our environmental awareness and reducing the impact of our business on our environment, both now and in the future.

Aquarius first achieved ISO 14001 (Environmental Management Standard) status in 2012 and maintains its accreditation. In 2022/23 we expect to update our Estates Plan across the Group which will integrate our future green footprint into our compliance and investment frameworks for renewing our premises infrastructure.

We have again mapped 12 months of continuous consumption data for most of our premises and extrapolated this data across the premises' portfolio using consumption profiling. The period covered was the financial year 2021-22. The calculation estimates total consumption at 8.4m kWh with 8.3m kWh on fossil fuels (broadly equivalent to 1.6m kg CO2, with 0.5m kg CO2 from electricity usage, including transmission and 1.2m kg CO2 from natural gas supplies). A further de minimis consumption of 112k kWh (1.3% of total consumption, equivalent to 33k kg CO2) estimated for use of public and private transport in delivering our services (NB. there is no use of air or sea travel for this purpose). The 2020 kWh to CO2 conversion rates were applied.

We have worked with expert advisers to identify sites with significant energy usage as well as potential savings. By implementing specific measures such as improving our lighting systems to LED and introducing more automated energy efficiency features, including heating controls in our buildings and heating and hot water boiler upgrades, we could significantly improve our energy footprint. We will map out where investment can be prioritised to achieve greatest impact as part of the planned Estates Plan review.

Further work needs to be done to routinely monitor water consumption and waste to further stretch our environmental impact reduction targets. We always seek to procure sustainably across our supply chain and will be looking at more of our routes to procurement in the coming year

FUNDRAISING

As a Group we do not currently engage in unsolicited direct fund-raising – either to specific supporters or the general public. Occasionally, of their own volition, individuals who have been affected by services provided by the Group engage in a sponsored activity and donate their proceeds to a service or partner within the Group. When approached in advance, the Group supports such gestures by providing charity-branded materials to for the event.

The Group does not participate in any voluntary regulation schemes for fund-raising. It does not use commercial participators or professional fundraisers, pursues no organisation-wide fund-raising programmes, has received no complaints regarding fund-raising in the year and did not actively monitor individuals who independently raised funds for the Group.

LEGAL STRUCTURE AND GOVERNANCE

The legal structure of the Group throughout the year has remained as Richmond Fellowship acting as parent of a single, wholly controlled charitable subsidiary, Aquarius Action Projects (known as Aquarius).

Richmond Fellowship's objects as they appear in the Articles are:

- *to provide a home and community life for the Fellowship's Beneficiaries;*
- *to provide care, assistance and treatment to the Fellowship's Beneficiaries;*
- *to advance the education of the public in all aspects of the treatment and care of the Fellowship's Beneficiaries; and*
- *to advance other exclusively charitable purposes*

The Group Board is a unitary board comprising up to five executive directors and up to ten non-executive directors. For any vote, the number of non-executives present must exceed executives. New Group Board directors are recruited in accordance with specific provisions in the Richmond Fellowship Articles and are taken through a tailored induction on joining. This has been more challenging during the pandemic, as the induction process would normally include service visits (which non-executives do on a rolling basis).

Nonetheless, new ways of delivering the induction have been developed and in addition, board members are provided with both general and tailored training support, identified from regular appraisal and review discussions.

The Group has standing orders and a schedule of delegations in place to underpin the Articles. A Procedure Agreement is in place between parent and subsidiary. This sets out the respective duties, delegations and responsibilities of the Group and Partner (Subsidiary) Boards in the governance of the subsidiary.

We again undertook a significant overhaul of policy, practice and learning (both internal and in the wider sector) in relation to our service delivery and duty of care obligations. This has included refreshing our approaches to safeguarding, risk, environmental responsibilities, equalities, diversity and inclusion, information governance, data security, whistle-blowing and fraud, as well as updating our statement to remain ever vigilant group-wide, against Human Trafficking and Modern Slavery. Our policies are mostly written for the Group with local related procedures to deliver these policies in different settings, according to the model to support recovery they are delivering.

REGULATION AND COMPLIANCE

The Group complies with the requirements of the Regulator of Social Housing, the Charity Commission, Charities Acts and Companies Acts, seeking consent, filing returns and publishing accounts as required. Compliance updates go to each meeting of the Audit and Assurance Committee of the Board. A small number of our services are registered with and subject to inspection by the Care Quality Commission.

Statement on public benefit

The purpose of the Group is laid out in the charitable objects above. Prospective users of services across the Group are usually referred to the provider organisation by a psychiatrist, general practitioner, or other health care professional. Day care and other non-residential services are provided free of charge at the point of delivery. Rent and any other charges for housing, residential care and nursing homes are usually covered by a range of housing and other benefits. The Group Board has given due regard to the Charity Commission's guidance on providing public benefit in its decision making and considers that all Group activities provide public benefit.

Statement of accountability

The Group Board accepts the obligation to account for its actions in an open manner to people we support, our regulators, commissioners, and other stakeholders, including the wider public. The Group Board also accepts the obligation to ensure that Group companies deliver the standards of probity required by law, by their regulators and appropriate to their position in the community. The Group aims to achieve a high level of corporate social responsibility in line with new directions from recent Environmental, Social and Governance (ESG) guidance, subject to its overriding duty to fulfil its charitable objects and to use its charitable resources for that purpose.

In addition to putting people we support at the centre of everything we do, the Group Board remains committed to our Recovery Focus Group identity, bringing like-minded expert partners together. We will continue to build the identity and profile of both the Group and individual partners over the coming year.

Statement of compliance with the RSH's Governance and Viability Standard and the NHF Code of Governance

The Governance and Financial Viability Standards of the Regulator of Social Housing (RSH), effective at 31 March 2022, requires compliance with an "appropriate code of governance, giving reasons for the choice and explaining areas of non-compliance". RF has chosen the National Housing Federation (NHF) Code of Governance. The NHF re-issued their Code in 2020 and the Group Board committed to its adoption in the year ended March 2022 and therefore this report is prepared in the context of the 2020 Code (for the first time). The Code of Governance in turn requires compliance with the NHF Code of Conduct (which has very recently been revised).

The Board considers the regulatory standards and matters covered by the Code through the ongoing work of the Audit and Assurance Committee. In July 2022, the Committee reviewed the Group's compliance and concluded that this had been demonstrated, approving the following statement of compliance:

"Richmond Fellowship is a member of the National Housing Federation (NHF) and endorses the NHF Code. The Code is an integral part of RF's agreement for services with its non-executive directors. RF is compliant with (or taking steps to achieve compliance) with all requirements of the Code that are relevant to it as a small, specialist registered provider of social housing and registered charity. The RF Group has rigorous governance arrangements which are audited regularly by our engaged firm of internal auditors and meets the reporting requirements of the Regulator of Social Housing and the Charity Commission."

This year we have self-assessed our governance against the 2020 Code. We have been updating our approaches in a number of areas to ensure compliance with the revised Code and to deliver better governance overall. Two areas in particular have received a lot of attention: a formal Succession Strategy for Non-Executives and our organisational response to the emerging Environmental, Social and Governance (ESG) agenda. In relation to specific non-compliance with the 2020 Code (and as with the previous Code and disclosures), Richmond Fellowship remains non-compliant with the NHF Code as follows:

Requirement	*Reason for non-compliance*
3.3(2) The board has between 5 and 12 members, including any co-optees and executive members.	To meet the demands of our complex and changing Group, the Group Board comprises 15 members in total (with the Articles allowing a maximum of 15) as at 31 March 2022, including 5 executive directors as RF has a unitary board.

Two new Group Board appointments were made in 2021/22, when welcoming Ian Ayling and Maureen Hopcroft to the Board in July and September respectively. Two further appointments were made, to replace retiring non-executives, on 1 April 2022 and this is declared as a post balance sheet event earlier in this document. The Board has a clear Succession Strategy for its non-executives which is rolled forward every six months, ensuring that proper planning of succession takes place and is well managed. We are of the belief that having a unitary (and therefore larger) board currently serves our Group well.

As part of its annual self-evaluation process, the Board has concluded that the business case for payment of non-executive Group Board members remains valid and of benefit to the charity. The levels of payment in place are reviewed annually and these were fully benchmarked in 2021/22 to ensure they remain at the right level for the responsibility and expectations we make of our non-executives. The recommendation was to leave the rates of remuneration unchanged.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The Board confirms that, in fulfilling their duties as directors, they have taken all the necessary steps in order to make themselves aware of any information relevant to the audit and to establish that the auditor is made aware of that information So far as the directors are aware, there is no relevant audit information which has not been brought to the attention of the auditor.

Approved by the Board and signed on its behalf by

Helen Edwards
Helen Edwards (Aug 5, 2022 12:23 GMT+1)

H Edwards, Chair of the Board

5 August 2022

STATEMENT OF THE GROUP BOARD ON VALUE FOR MONEY

To comply with the Regulator of Social Housing's latest code of practice on value for money, as a registered provider we are required to publish our performance against a given set of key indicators which is shown below:

			Benchmarking (based on 2021 Global Accounts)						
Peer Group	RF 2022	RF 2021	A	B	C	D	E	F	2021 Ranking
> Business Health									
Operating Margin (Overall)	2.9%	0.6%	6.9%	9.1%	5.1%	3.0%	22.8%	(1.2%)	6th
Operating margin (social housing lettings)	10.8%	18.1%	13.5%	28.2%	9.0%	0.7%	10.4%	1.8%	2nd
EBITDA MRI (as % interest)	n/a	n/a	679.4%	233.3%	1,306.9%	(59.5%)	617.0%	(100.0%)	
> New Supply delivered									
Social housing units - %	n/a	n/a	1.5%	1.5%	2.1%	-	-	0.2%	
Non-social housing units - %	n/a	n/a	-	-	-	-	-	-	
Gearing	n/a	n/a	(0.9%)	37.1%	0.2%	12.1%	11.2%	(27.5%)	
> Effective asset mgt									
Return on Capital Employed - %	3.1%	2.4%	3.0%	3.0%	3.4%	1.1%	2.8%	-1.4%	5th
>Outcome delivered									
Reinvestment	0.5%	2.9%	3.3%	13.0%	8.3%	4.2%	1.6%	4.1%	
>Operating Efficiency									
Headline social housing unit costs	£ 9,498	£ 9,295	£ 13,320	£ 11,330	£ 24,450	£ 28,790	£ 6,620	£ 21,030	2nd
Management cost per unit	£ 1,569	£ 1,445	£ 2,721	£ 2,235	£ 5,526	£ 10,796	£ 6,609	£ 11,727	1st
Service charge cost per unit	£ 2,961	£ 2,966	£ 5,726	£ 2,495	£ 8,865	£ 11,623	£ 7,914	£ 11,597	2nd
Routine Maintenance cost per unit	£ 275	£ 118	£ 2,317	£ 1,112	£ 3,693	£ 2,550	£ 3,667	£ 2,353	1st
Planned Maintenance cost per unit	£ 71	£ 89	£ 2,731	£ 1,039	-	-	-	£ 388	4th
Major repairs cost per unit	£ 676	£ 943	£ 209	£ 81	-	£ 51	£ 497	-	7th
Lease costs	£ 2,677	£ 2,719	-	£ 766	-	-	-	£ 6,159	6th
Capitalised major repairs expenditure for period	£ 676	£ 943	£ 485	£ 135	£ 87	£ 4,410	£ 2,299	£ 835	5th
Other (social housing letting) costs	£ 749	£ 445	£ 1,698	£ 509	£ 1,104	-	£ 120	£ 636	3rd
Other social housing activities: charges for support services]	£ 16,533	£ 16,141	£ 14,123	£ 6,390	£ 10,657	£ 40,570	£ 2,267	£ 21,316	5th
Total social housing units owned and/or managed at period end	770	768	2,277	1,303	1,224	2,431	3,660	2,616	7th

It is important for us to get the best value we can from our resources. To test this, we benchmark ourselves against a selected group of peer organisations to help to give us an objective perspective. We have identified six similar-sized registered providers of social housing who provide care and support services and operate in similar geographic areas to compare ourselves with. We have selected their metrics from the 2021 Global accounts of private registered providers and ranked our performance for each of the above key measures. We believe this is an effective way to get an objective point of view on our performance to help us to learn, plan, grow and take corrective action where we find this to be necessary.

Our results show that our headline social housing unit cost metric has increased from £9,295 to £9,498 per unit. This represents increases in our housing management , maintenance, and support costs. In particular, we voluntarily implemented the National Minimum Wage ahead of government guidelines. The increases were budgeted and part of our ongoing commitment to keep providing a safe and healthy environment for our staff and residents. We will continue to monitor costs and have increased our budget to assist in the management of future price increases.

Value for money through delivery

The Group continues to promote value for money improvements through the following main channels:

- Co-production – through increasing levels of co-production we can deliver services differently and more effectively using local ideas and innovations.
- Governance – through scrutiny and assurance we ensure that the people we support get value for money by internal and external benchmarking and robust budgeting.
- Delivery processes – the pandemic forced us to re-assess how we work and how we deliver services. Many of the changes delivering efficiencies will continue. We have aligned this to our digital strategy, making our business more technology-driven and end user focused.

- Consistent and improved models to support recovery and procurement – the pandemic has given us further impetus to hone our models to support recovery. Group-wide we are driving a procurement initiative that will yield consistent and effective outcomes with an affordable cost base.

We have worked hard in compiling the Corporate Plan, to ensure that our plan priorities take on board how these will impact and improve our regulatory indicators.

Procurement

The Board approved a procurement strategy 2020-2023 with a focus on strengthening the Group's approach to procurement and supporting the achievement of the 2020-2023 Group Strategy **'Growing Stronger Together'**. The aim of the procurement strategy is to ensure that procurement activities are undertaken efficiently and economically. The strategy provides direction to strive for best practice in procurement while constantly improving value for money and the quality of goods and services that are procured. It outlines the role that procurement will play in the delivery of the Group's priority objectives:

- To evaluate and improve current procurement practices to achieve better value for money and to ensure the Group's needs are met efficiently and effectively.
- To ensure that good practice examples are identified and applied consistently across the organisation.
- To review our products to ensure these are providing a return on investment.
- To renegotiate contracts to maximise economies of scale.
- To reduce our environmental impact and increase our sustainability, making the best use of our national footprint.
- To ensure that current and future procurement activities are planned, monitored and reviewed effectively.
- To create a structure where we can share resources, drive innovation and create more efficient ways of working.
- To use digital solutions to create the most efficient and effective procurement methods to deliver the best possible service.
- To use digital solutions to strengthen the financial controls of the business procurement process – using Workday "purchase to pay".
- To identify opportunities for collaboration with others to widen the scope for maximising purchasing power and identifying innovation.
- To identify what part customers will play in the procurement process.

STATEMENT OF THE GROUP BOARD ON INTERNAL CONTROLS ASSURANCE

The Group Board is responsible for controls assurance across the whole Group and reviewing its effectiveness. The directors recognise that such systems can provide only reasonable, not absolute, assurance against material misstatement or loss.

Board Members and Meetings

A full list of Board Members is available on page 1. The Group Board met formally six times during the year (2021; 7). Attendance overall (including Executive Directors) at these meetings was 96% (2021; 94%). Meetings, including Board Committees, have all been held by videoconference except for two annual Board away events, which were held in person. Each Board meeting is prefaced by a discussion on a wide range of topics exploring strategic and governance-related matters. These supplement the risk "deep dives" that occur on a wide range of challenging issues affecting the Group, as part of each Committee's quarterly agenda.

Directors participate in one-to-one reviews of the Board, its committees and their own personal performance - identifying areas for action and any development needs. We use the skills review alongside the priorities in the Group Strategy to assess the strength of governance, future Board needs and the desirable values, experiences, and knowledge, in identifying new non-executives as vacancies arise.

Board Members' remuneration, attendance and Partner Board/Committee Memberships in 2021/22 were:

Non-Executive	*Remuneration*	*Group Board Attendance*	*Partner Board/Committee Memberships*
M Allen Morales	£0	0 / 0	BFC
I Ayling	£4,167	5 / 5	AAC, BFC
K Bakshi	£5,000	6 / 6	QPC, WTC
G Bland	£2,500	2 / 2	AAC, BFC
H Edwards	£12,500	6 / 6	AAC, PeC
A Fletcher	£10,000*	5 / 6	QPC, PeC, AAP
T Harper	£1,318	0 / 0	BFC, PeC
M Hopcroft	£2,917	4 / 4	WTC
P Molyneux	£5,500	5 / 6	QPC
R Perkins	£6,000	6 / 6	PeC, WTC
A Powell	£8,000	6 / 6	AAC, BFC
J Royle	£5,833	6 / 6	PeC, QPC

PARTNER BOARD/ COMMITTEE KEY
AAC (Audit & Assurance)
BFC (Business & Finance)
AAP (Aquarius Board)
PeC (People)
QPC (Quality & Performance)
WTC (Working Together)

- *This includes an exceptional one-off adjustment of £4,000*

The work of our Board Committees is enhanced by co-opted expert advisers who add a wider perspective and expertise to all committees (except the Remuneration Committee). We thank all of them for their dedication to the work of the Group and the sharing of their perspectives.

Matters reserved for the Group Board

The Group Board has delegated limited powers to its six committees: Audit and Assurance, Business and Finance, People, Quality and Performance, Working Together and Remuneration Committees. It reserves certain responsibilities and decisions for itself, specifically:

- Management structure, organisation and essential governance
- Objects, values and corporate strategy
- Annual budget setting
- Key controls as specified in the standing orders and scheme of delegations

Terms of reference for each Board committee are reviewed annually and approved by the Board itself. Each committee (except Remuneration) aims to include an adviser with recent lived experience and has also appointed one or more independent members to bring a broader perspective to the work of each committee. Each independent member contributes significantly to the assurance framework, being experts in their field.

To support the work of both the Richmond Fellowship and Aquarius Boards, the Group has three key assurance groups which meet quarterly to support the management of risk and add additional expertise and assurance in their areas of focus:

Health and Safety Group – proactively manages health and safety risk and compliance, monitoring risks relating to clients, workforce and premises. This Group includes an external expert adviser and reports and makes recommendations via the Group Board's Quality and Performance Committee to both Boards. Albert Fletcher attends as Board Non-Executive Health and Safety Champion.

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Service Governance Group – this Group oversees the quality of service delivery across the Group, ensuring consistently high standards and assessing and managing emerging risks in service delivery. This Group also includes an external expert adviser who provides an independent assurance report after each meeting, making recommendations to the Group Board's Quality and Performance Committee as required. (This Committee, in turn, reports to both Boards). This Group also oversees the internal Quality Improvement Plan and client risk, including the local management of clients' own funds, medication and wellbeing.

Information Governance Group – the remit of this Group is to ensure that all aspects of our approach to information governance comply with the expectations of the law, regulators, commissioners and the rights of individuals who access or deliver our services. The increasing challenges from cyber risk, with the increasing importance of and reliance upon technology and data to support the safe and effective delivery of services, makes the work of this Group an ever more important part of our governance.

Identification and evaluation of risks and control objectives

Board directors, working with the Group Leadership Team (GLT - currently comprising Group directors and the operations leads for both Richmond Fellowship and Aquarius) and the directors of the Aquarius Board, have separately and collectively given substantial consideration to the major risks to which the Group is exposed. As part of this process, the Audit and Assurance Committee meets four times annually and gives a significant portion of its agenda to risk scrutiny and challenge. The internal and external audit teams are an important second line of assurance in fulfilling this remit.

Ownership for delivering the priorities and managing the associated risks rests with the GLT, but each Group Board committee has a portfolio of risks that it leads scrutiny, on with non-executives introducing additional ideas and rigorously working through the challenges for the organisation.

As a shared responsibility, parent and subsidiary board directors and the GLT routinely satisfy themselves that appropriate systems, plans and procedures are in place to properly manage risk and assess progress against significant milestones in delivering key priorities.

Managing the business

Performance indicators are in place to provide information that allows management to monitor the key targeted outcomes that have been agreed upon as the best metrics to asses the sound progress of our strategic priorities. These indicators satisfy management that our services are delivering for our beneficiaries and matters which require intervention can be tackled. Our key data management systems provide much of the information to do this and we continue to make good progress in our long-term goal of moving towards a digital dashboard, for more timely information that can be sense checked against other indicators to be able to inform and suggest actions to ensure that our priorities can be met.

In support of all the control mechanisms in place, the provision of effective training and awareness information is essential to ensure that processes work and are applied safely and consistently. As part of a significant training and development offer, many modules are mandatory for all staff, and are refreshed regularly to ensure the Group's workforce are informed and prepared and can deliver quality services.

In the past year, we have referred only one significant incident to our regulators, that being the case of a suspected fraud which is now in the hands of the police. Under the oversight of the Audit and Assurance Committee, management is ensuring that all learning is reviewed and controls are in place to minimise the opportunity of re-occurrence.

As another line of assurance, our Internal Audit Team deliver a comprehensive annual programme highlighting a range of actions that management are pursuing.

Internally we continued to publicise our Feedback Policy and raise awareness around the key policies that assist with controls assurance, such as Whistle-blowing, Anti-Money Laundering, Anti-Fraud, Gifts/Hospitality

and Conflicts of Interest. Our Quality Self-Assessment regime is in place across the whole Group and is operating at local, area and partner-wide level.

Our non-executive board members undertake service visits as part of their wider responsibility (and development) to better understand the services we are delivering, the challenges faced in delivering them; it is also an opportunity for them to speak to people we support directly. Since the end of the first pandemic lockdown, this programme has been delivered virtually but towards the end of 2021-22, we began a limited number of face-to-face visits again. Both approaches have distinct benefits as many services don't operate from a fixed location, so the variety of different service models, where a non-executive visit has been possible, has been much wider this year.

At the end of the year, the Group Board has reviewed the controls and assurances in place across the Group and is satisfied that the Group is both compliant with legal and regulatory requirements and improving. This includes all the areas of work for which the Aquarius Board is ultimately responsible for delivery and oversight.

We work closely with external partners and others to ensure we are aware of their perspectives on our strategic direction and ongoing performance. This includes working closely with commissioners to ensure they are happy with our provision and to see how services might be made more effective. We also work with local safeguarding teams, fire safety authorities, the Care Quality Commission and other independent expert advisers whose objective viewpoint is valued as a means to delivering our continuous improvement agenda.

STATEMENT OF THE RESPONSIBILITIES OF THE GROUP BOARD IN RESPECT OF THE ACCOUNTS

The Group Board directors are responsible for preparing the report of the Group Board, incorporating the strategic report and the accounts in accordance with applicable law, regulations and associated guidance and good practice.

Company and housing law requires the Group Board to prepare consolidated accounts for each financial year in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland". Under company and housing law, the Group Board members must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the surplus or deficit of the Group for that period.

In preparing these accounts, the Group Board directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

The Board directors are also responsible for keeping adequate accounting records that are sufficient to show and explain all transactions and disclose with reasonable accuracy at any time the financial position of the Group and that ensure the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and have due regard to Charity Commission guidance. They are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

evelyn PARTNERS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RICHMOND FELLOWSHIP

Opinion

We have audited the financial statements of Richmond Fellowship (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Group and Company Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's and parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 for the group and the company and the Charities Act 2011 (for the Group); and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Board of Directors are responsible for the other information contained within the Annual Report and Financial

Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in 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 Report of the Group Board has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Group Board.

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 and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Statement of the Responsibilities of the Group Board set out on page 21, the members of the Board (who are directors of the parent charitable company for the purposes of company law and the trustees for the purposes of charitable 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 group's and the parent 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 group or the parent 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
We have been appointed as auditor under the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the group and the parent charitable company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of the group and the parent charitable company's industry and regulation.

We understand that the group and the parent charitable company complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A programme of internal audit performed by an independent firm of internal auditors;
- A risk assessment framework and register that includes regular review and scrutiny by the Board of Directors;
- Regular safeguarding and health and safety reviews;
- An annual assessment of compliance with social housing regulations; and
- The Board of Director's close oversight through regular Board meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the group and the parent charitable company's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the group and the parent charitable company:

- FRS 102 and the requirements of the Companies Act 2006, in respect of the preparation and presentation of the financial statements;
- Safeguarding, including health and safety and Care Quality Commission regulations; and
- Social housing and Charity law and regulation.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Making enquiries of management and the Audit and Assurance Committee as to the risks of non-compliance and any instances thereof;
- Reviewing internal audit reports and correspondence between regulators and the group and the parent charitable company; and
- Reading minutes of meetings of those charged with governance.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the group and the parent charitable company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries and incorrect recognition of revenue.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the group and the parent charitable company's processes and controls surrounding manual journal entries;
- Reviewing and challenging estimates made by management; and
- Substantive work on revenue transactions.

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

Use of our report
This report is made solely to the parent 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 parent 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 parent charitable company, and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners

Andrew Bond
Senior Statutory Auditor, for and on behalf of

CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V 7BG
5 August 2022

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2022

	Notes	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Turnover	3	47,557	41,855	45,267	39,721
Operating expenditure		(45,774)	(40,645)	(44,910)	(39,681)
Surplus on disposals of fixed assets	11	151	151	433	433
Other operating income		4	3	295	187
Operating surplus	3	1,938	1,364	1,085	660
Interest receivable	9	148	145	156	155
Interest & financing costs	10	-	-	-	-
Movement in the value of investments		204	204	630	630
Surplus for the financial year	11	**2,290**	**1,713**	**1,871**	**1,445**
OTHER COMPREHENSIVE INCOME					
Actuarial loss/(gain) in respect of pension scheme	8	(2)	(2)	109	109
Total comprehensive income for the year		**2,288**	**1,711**	**1,980**	**1,554**

The Income and Expenditure Account was approved and authorised for issue by the Group Board on 5 August 2022.

Helen Edwards
Helen Edwards (Aug 5, 2022 12:23 GMT+1)

Helen Edwards
Director

Alan Powell
Alan Powell (Aug 5, 2022 13:48 GMT+2)

Alan Powell
Director

STATEMENT OF FINANCIAL POSITION as at 31 March 2022
COMPANY NUMBER 662712

	Note	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Fixed Assets					
Property, plant & equipment					
- Housing & other properties used for social provision	12	24,137	22,157	24,421	22,660
- Other property, plant and equipment	13	5,646	4,820	5,345	4,489
Post-employment benefits	8	484	484	538	538
		30,267	27,461	30,304	27,687
Current assets					
Inventories	14	169	167	129	128
Debtors due within one Year	15	6,421	5,882	6,457	5,833
Investments	16	4,002	4,002	3,798	3,798
Cash at bank and in hand		17,167	13,039	13,946	10,557
		27,759	23,090	24,330	20,316
Creditors: amounts falling due within one year	17	(7,516)	(6,630)	(6,283)	(5,675)
Net current assets		**20,243**	**16,460**	**18,047**	**14,641**
Total assets less current liabilities		**50,510**	**43,921**	**48,351**	**42,328**
Creditors: amounts falling due over one year	18	(7,712)	(7,712)	(7,830)	(7,830)
Total assets less liabilities		**42,798**	**36,209**	**40,521**	**34,498**
Funds					
Restricted funds	22	7,095	2,392	7,931	3,806
Unrestricted funds					
- Unrestricted general funds	24	34,050	32,346	31,087	29,371
- Designated funds	23	184	-	184	-
- Revaluation reserve	24	985	987	781	783
- Pension reserve	24	484	484	538	538
		42,798	**36,209**	**40,521**	**34,498**

The accounts were approved and authorised for issue by the Group Board on 5 August 2022.

Helen Edwards
Helen Edwards (Aug 5, 2022 12:23 GMT+1)

Helen Edwards
Director

Alan Powell
Alan Powell (Aug 5, 2022 13:48 GMT+2)

Alan Powell
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2022

		Unrestricted				
	Restricted Funds	General Funds	Designated Funds	Revaluation Reserve	Pension Reserve	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2021	**7,789**	**29,771**	**382**	**151**	**448**	**38,541**
Surplus for the year	-	1,871	-	-	-	1,871
Other comprehensive income	-	-	-	-	109	109
Total comprehensive income	-	1,871	-	-	109	1,980
Transfers (note 21)	142	(555)	(198)	630	(19)	-
Balance at 31 March 2021	**7,931**	**31,087**	**184**	**781**	**538**	**40,521**
Surplus for the year	-	2,290	-	-	-	2,290
Released on Disposal	-	(11)	-	-	-	(11)
Other comprehensive income	-	-	-	-	(2)	(2)
Total comprehensive income	-	2,279	-	-	(2)	2,277
Transfers (note 21)	(836)	684	-	204	(52)	-
Balance at 31 March 2022	**7,095**	**34,050**	**184**	**985**	**484**	**42,798**

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2022

		Unrestricted				
	Restricted Funds	General Funds	Designated Funds	Revaluation Reserve	Pension Reserve	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2021	**4,090**	**28,055**	**198**	**153**	**448**	**32,944**
Surplus for the year	-	1,445	-	-	-	1,445
Other comprehensive income	-	-	-	-	109	109
Total comprehensive income	-	1,445	-	-	109	1,554
Transfers (note 21)	(284)	(129)	(198)	630	(19)	-
Balance at 31 March 2021	**3,806**	**29,371**	**-**	**783**	**538**	**34,498**
Surplus for the year	-	1,713	-	-	-	1,713
Other comprehensive income					(2)	(2)
Total comprehensive income	-	1,713	-	-	(2)	1,711
Transfers (note 21)	(1,414)	1,262	-	204	(52)	-
Balance at 31 March 2022	**2,392**	**32,346**	**-**	**987**	**484**	**36,209**

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2022

	Note	2022 £000	2021 £000
Net cash generated from operating activities	**30**	**4,106**	**3,428**
Cash flow from investing activities			
Acquisition & development of properties used for service provision		(365)	(766)
Sale of housing properties	**11**	407	1,190
Purchase of other property, plant & equipment		(1,064)	(1,248)
Sale of other property plant & equipment			12
Investment income received		125	141
Interest received		12	5
Net cash used in investing activities		(885)	(666)
Net decrease in cash and cash equivalents		3,221	2,762
Cash & cash equivalents at the beginning of the year		13,946	11,184
Cash & cash equivalents at the end of the year		**17,167**	**13,946**
Cash & cash equivalents at the end of the year comprise:			
Cash at bank & in hand		17,167	13,946
		17,167	**13,946**

NOTES TO THE ACCOUNTS for the year ended 31 March 2022

1. Legal status

Richmond Fellowship ("the company") is a private company limited by guarantee (number 662712) and is incorporated in England; the registered office address is 80 Holloway Road, London, N7 8JG. The company is a registered charity (number 200453) and is also registered as a private provider of social housing with the Regulator of Social Housing (number H2025).

Aquarius Action Projects ("Aquarius"), is a wholly owned subsidiary of Richmond Fellowship. It is incorporated as a private company limited by guarantee under the Companies Act 2006 in England, number 2427100. It is also a registered charity, number 1014305. Its registered office is 236 Bristol Road, Birmingham, B5 7SL.

The group of companies is collectively known as Recovery Focus as referred to as the "Group"

Details of the principal activities of the Group are given in the accompanying narrative reporting.

2. Accounting policies

Basis of preparation

The financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Housing SORP 2018 "Statement of Recommended Practice for Registered Social Housing Providers" and comply with The Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are also prepared in accordance with the Companies Act 2006 and the Housing and Regeneration Act 2008. The consolidated financial statements are additionally prepared in accordance with the Charities Act 2011.

The company is a public benefit entity and the Group is a public benefit group, as defined by FRS 102. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets in accordance with the Groups accounting policies.

Disclosure exemptions

The company is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the exemption from presenting a statement of company cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements.

Basis of consolidation

The Group consolidated financial statements include the financial statements of the company and its subsidiary undertaking.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In the case of subsidiaries which are charitable companies limited by guarantee, that control exists by virtue of the company being the sole member of each of the subsidiaries thereby being able to appoint the trustees of those entities.

Where a subsidiary has different accounting policies to the Group, adjustments are made to that subsidiary's financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations

The acquisition method, as applied to public benefit groups, is used to account for a combination with a new charitable subsidiary.

The acquisition method requires that the new subsidiary's assets and liabilities be initially recognised at their fair value. Where the nature of the combination is in substance a gift, the fair value of the gifted assets and liabilities is recognised as a gain or loss in the statement of comprehensive income in the year of the transaction, with all costs directly relating to the combination being expensed. For combinations which are in the nature of acquisitions, the excess of the fair value and directly attributable costs of the purchase consideration over the fair values of net assets and liabilities acquired is recognised as goodwill.

On transition to FRS 102 the Group and Company took the exemption available to not restate acquisitions affected before the transition date of 1 April 2014.

Going concern

The financial statements have been prepared on the going concern basis which the directors consider to be appropriate for the following reasons.

The Board has considered the potential impacts from different adverse conditions such as Covid-19, increased cost of living and fluctuations in revenue as well as options for mitigating them as part of the annual budgeting cycle. To ensure the business can continue operating in the immediate term, we carried out scenario testing on these conditions looking at income reduction from our Social Enterprises, changes in grant conditions, potential movement in operating costs affecting staff and other operating expenditures. Other scenario testing included subjective judgments of the impact of increased rent arrears, delayed rent collection and increased voids. In making these assessments, we also considered the mitigations available to manage the potential impact on cashflow affecting the financial viability of the business. Financial forecast were regularly presented to the Board which included these scenarios and mitigations. The assessment demonstrated the financial impact could be managed within the approved budget and gave assurance we had sufficient liquidity to manage the financial risks. In addition, the Board is regularly updated with our performance against expectations by;

- detailed forecasting as part of the monthly reporting cycle
- twelve-month forward rolling cashflows forecast
- enforcing a 'golden rule' where cash reserves must remain within a minimum uncommitted cash reserves of £6 million, being £5million for the company and £1 million for Aquarius.

The Group has no loan commitments or operates within restrictive financial covenants,

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

On this basis, the Board has reasonable expectations that the Group and company have adequate resources to continue the operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Key sources of estimation uncertainty and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements, estimates and assumptions have had the most significant effect in amounts recognised in the financial statements:

(a) Critical judgements

In preparing the financial statements, the following judgements which have, or could have, a material impact on the financial statements were made:

Identification of housing property components
Housing property depreciation is calculated on a component-by-component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Housing property impairments
An impairment review of the Group's properties is undertaken when an impairment indicator is believed to have been triggered. The 2020/21 review did not result in the requirement for any material impairments.

Properties let to other service providers
Properties let to other service providers are classed as property, plant and equipment rather than as investment properties, as the properties are retained primarily to ensure the continued provision of services to beneficiaries, rather than for capital gain or income generation.

Cap on net pension scheme asset
The net defined pension scheme asset is recognised only to the extent of the net present value of the estimated future Group contributions to the scheme, as it is deemed to be unlikely that the scheme trustees would make refunds to the Group.

(b) Key accounting estimates and assumptions

Estimation of revenue
Income from the provision of services is recognised as the services are provided. In most cases, the services are provided in accordance with the funding agreement, but in a minority of cases, the funder may contend that the services haven't been fully provided and retrospectively demand that a proportion of the invoiced income be refunded. Estimates are therefore necessary as to the extent to which invoiced income may be repayable.

Defined benefit pension scheme
The cost of defined benefit pension scheme plans are determined using actuarial valuations. The actuarial involves making assumptions about discount valuation rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and long-term nature of these plans, such estimates are subject to considerable uncertainty and the Group relies on the expert input of actuaries. Further details of the assumptions made are provided in Note 8.

Useful lives
Depreciation of assets is calculated based on the cost and the estimated useful lives of the assets. The expected useful lives for housing property components is estimated based on the expected replacement frequency used for asset management purposes.

Impairments of housing and other properties held social purposes
The cost of purchasing an equivalent property on the open market is estimated based on the sales prices for similar properties in or near the same location.

The rebuilding cost of structures and components is based on the current build costs obtained from market data (being primarily construction indices) applied to the relevant building size and type.

Rent arrears and other debtors
Provision is made for rent arrears where there is objective evidence concerning recoverability. This is an estimate based on past experience, the current level and age profile of the arrears / debtors, and the specific circumstances relating to a particular rent arrear or debt.

Carrying values
The carrying amount of the assets and liabilities affected by the above estimates are set out in the notes below.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable and represents rental income receivable; fees from local authorities and other funders for the provision of services; grant income from the Government and other bodies; income from fundraising activities and amounts receivable for goods sold. All such amounts are stated excluding VAT where this has been applied.

Income is recognised as follows:

- *Rental Income* – on a time apportioned basis
- *Service Income* – as the services are provided
- *Donations* – when the Group has entitlement, the donation can be measured reliably, and receipt is probable
- *Revenue (performance) grants* – in the same period as the expenditure to which they relate
- *Government capital grants* - recognised using the accruals model and initially deferred and then credited to revenue on a straight-line basis over the expected life of the asset which they have funded
- *Other capital grants* – recognised using the performance model, with recognition being when the Group has entitlement, the grant can be measured reliably, and receipt is probable

Donated assets and services which would otherwise have been purchased are included at the estimated expenditure purpose, the donations may become repayable in which case the liability is recognised when the related asset is disposed of or when it ceases to be used for the approved purpose.

Arrears
Debtors include the total rent and service charge arrears which is comprised of both current and former tenant arrears. Former tenant arrears are fully provided for in the financial statements at the point the tenant leaves the property. Current tenant arrears are provided for at specific rates according to the age of the debt.

Employee benefits
The Group provides a range of benefits to employees, including paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits
Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan
The Group operates a defined contribution plan, whereby the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the statement of financial position.

The assets of the plan are held separately from the Group in independently administered funds.

State plan
The Group is an admitted body to the NHS Pension Scheme, a multi-employer defined benefit pension scheme. The Group has no on-going liability to this scheme other than to pay contributions as they fall due and this plan is accounted for as a defined contribution plan.

Defined benefit pension plan
The Group operates a defined benefit plan for certain employees. 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.

The asset recognised in the statement of financial position in respect of the defined benefit plan is the lower of the fair value of the plan assets at the reporting date less the present value of the defined benefit obligation at the reporting date and the net present value of the estimated future Group contributions to the scheme.

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 ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Re-measurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in operating expenditure in the statement of comprehensive income as employee costs comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the statement of comprehensive income as 'Finance expense'.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Trade and other debtors and creditors, including rent arrears and rent paid in advance, are classified as basic financial instruments and measured at initial recognition at transaction price. Such debtors and creditors are subsequently measured at amortised cost using the effective interest rate method, save that amounts expected to be settled within 12 months are not discounted. An impairment provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents and long-term bank deposits are classified as basic financial instruments and are initially recognised at their transaction price and subsequently at fair value.

Interest bearing bank and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the counterparty, which is ordinarily equal to the

proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Financial assets are derecognised when either the contractual rights to the cash flows from the asset are settled or expire, or when substantially all the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities are derecognised when the liability is extinguished, that is when contractual obligation is discharged, cancelled or expires.

Managed properties

Income and expenditure relating to housing properties managed by the Group are recognised in the statement of comprehensive income where the Group is exposed to a significant proportion of the risks and rewards associated with the properties.

Housing and other properties used for social purposes

Housing and other properties used for social purposes are properties which are held to provide residential accommodation, nursing homes or day care centres. These properties are stated at cost less accumulated depreciation and any recognised impairment loss. The cost of the properties is the purchase price together with those costs that are directly attributable to acquisition and construction up to the date of completion.

Properties in the course of construction are not depreciated.

Depreciation is charged on major components so as to write down the cost of the components to their estimated residual value on a straight-line basis over their estimated useful lives as follows:

Freehold Land	indefinite	Structure	100 years
Pitched Roof	60 years	Flat Roof	20 years
Windows	40 years	Boilers	15 years
Bathrooms	20 years	Kitchens	15 years
Wiring	30 years	Fire Systems	10 years

Subsequent expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in incremental future benefits is capitalised and the carrying amount of any replaced component or part component is derecognised. Any other expenditure incurred in respect of repairs is charged to operating expenses in the statement of comprehensive income.

Other tangible fixed assets

Other fixed assets are stated at cost less depreciation. Depreciation is charged on a straight-line basis over the expected economic lives of the assets at the following annual rates:

Office premises	1%
Motor vehicles	25%
Plant & machinery	25%
Furniture	25%
Computer, IT & other office equipment	33.3%
Computer software	10%

Inventories

Inventories are stated at cost less provision for impairment losses.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indicator that the asset (or asset's cash generating unit) may be impaired. If there is such an indicator the recoverable amount of the asset (or asset's cash generating unit; CGU) is compared to the carrying amount of the asset (or asset's cash generating unit).

Assets not used for social purposes

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use (VIU) is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the operating expenses unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Assets used for social purposes, including housing and other properties
For the purposes of impairment assessments, housing and other properties used for social purposes are assessed on a property by property basis.

At each statement of financial position date, the properties are assessed to determine if there are indicators that the property may be impaired in value; if there are such indicators of impairment, then a comparison of the property's carrying value to its recoverable amount is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as operating expenses in the statement of comprehensive income; the carrying value is reduced appropriately. The recoverable amount of a property is the higher of its fair value less costs to sell and its value in use. Value in use for properties which are able to be used in their current condition and which are fulfilling the social purpose for which they were acquired is based on the depreciated replacement cost of the asset. For other schemes, value in use is defined as the net present value of the future cash flows before interest generated from the scheme.

When an impairment loss is subsequently reversed, the carrying amount of the property is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in operating expenses in the statement of comprehensive income.

Government grants (social housing grants - SHG)

Government grants are recognised when there is reasonable assurance that the Group will receive the grant and be able to comply with the terms of the grant. Grants are classified as either relating to assets or as relating to revenue.

Grants relating to assets are accounted for using the accrual model and are recognised as revenue in the statement of comprehensive income over the period of the estimated life of the relevant asset to which it relates as follows:

- Grants relating to whole properties – over the useful life of the structure
- Grants relating to components – over the useful life of the relevant components

Grants relating to assets are derecognised when the asset to which they relate is derecognised.

Grants which relate to revenue are accounted for using the performance model and are recognised in the statement of comprehensive income as the associated costs to which the grant relates are recognised.

Any grants which are received but are not recognised are disclosed as liabilities.

Grant relating to a property which is sold is derecognised and disclosed as a liability where repayment or recycling is required. Where SHG is recycled, it is credited to a fund which appears as a creditor until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year

Current asset investments

Investments are stated at fair value and any changes in the fair value are recognised in the statement of comprehensive income.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to operating expenses in the statement of comprehensive income on a straight-line basis over the life of the lease.

Incentives received to enter into an operating lease are credited to operating expenses, to reduce the lease expense, on a straight-line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits and other highly liquid investments which have a maturity of three months or less.

In certain cases, the Group and its employees assist individuals to manage their money in their bank accounts. These bank accounts do not relate to the Group and are therefore not dealt with in these financial statements.

Provisions

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

Value Added Tax

The Group is registered for VAT and the balances shown in these accounts exclude VAT where applicable. Irrecoverable input VAT is expensed as incurred and is analysed in line with the underlying expense to which it relates.

Taxation

All entities within the Group are registered charities and are able to obtain relief from corporation tax, provided that they operate within certain charitable exemptions, including applying all income to charitable purposes. Since these conditions have been fulfilled, these entities do not recognise provisions for taxation.

Provision is made for direct and deferred tax in respect of non-charitable subsidiaries; currently, the activities of non-charitable subsidiaries are immaterial to the Group.

3. Particulars of turnover, operating expenditure and operating surplus / (deficit)

Group	2022			2021		
	Turnover	Operating expenditure	Operating Surplus (Deficit)	Turnover	Operating expenditure	Operating Surplus (Deficit)
	£000	£000	£000	£000	£000	£000
Social housing activities						
Social housing lettings *(note 4)*	8,200	7,314	886	8,713	7,138	1,575
Other social housing activities						
Supporting people contract income	15,599	16,533	(934)	15,371	16,141	(770)
	23,799	**23,847**	**(48)**	**24,084**	**23,279**	**805**
Activities other than social housing activities						
Registered nursing home lettings	513	512	1	924	1,590	(666)
Crisis Houses	2,691	2,720	(29)	1,610	1,702	(92)
Community based projects	20,049	18,039	2010	18,222	17,476	746
Leased to third party providers	143	24	119	237	7	230
Other	362	632	(270)	190	856	(666)
	23,758	**21,927**	**1,831**	**21,183**	**21,631**	**(448)**
TOTAL	**47,557**	**45,774**	**1,783**	**45,267**	**44,910**	**357**
Surplus on disposals of fixed assets			**151**			**433**
COVID-19 Job Retention Scheme Income			**4**			**295**
Operating surplus			**1,938**			**1,085**

3. Particulars of turnover, operating expenditure and operating surplus / (deficit) (continued)

Company	2022			2021		
	Turnover	Operating expenditure	Operating Surplus (Deficit)	Turnover	Operating expenditure	Operating Surplus (Deficit)
	£000	£000	£000	£000	£000	£000
Social housing activities						
Social housing lettings *(note 4)*	8,200	7,314	886	8,713	7,138	1,575
Other social housing activities						
Supporting people contract income	15,599	16,533	(934)	15,371	16,141	(770)
	23,799	**23,847**	**(48)**	**24,084**	**23,279**	**805**
Non-social housing activities						
Registered nursing home lettings	513	512	1	924	1,590	(666)
Crisis Houses	2,691	2,720	(29)	1,610	1,702	(92)
Community based projects	14,347	12,916	1,431	12,675	12,297	378
Leased to third party providers	143	24	119	237	7	230
Other	362	626	(264)	191	806	(615)
	18,056	**16,798**	**1,258**	**15,637**	**16,402**	**(765)**
TOTAL	**41,855**	**40,645**	**1,210**	**39,721**	**39,681**	**40**
Surplus on disposals of fixed assets			151			**433**
COVID-19 Job Retention Scheme Income			**3**			**187**
Operating surplus			**1,364**			**660**

4. Particulars of income and expenditure from social housing lettings

GROUP AND COMPANY

	2022	2021
Supported housing	**Total**	**Total**
	£000	**£000**
Rent receivable net of service charges	3,977	4,322
Service charge income	4,125	4,293
Net rental income	**8,102**	**8,615**
Government grants taken to income		
Amortised government grants	98	98
Turnover from social housing lettings	8,200	**8,713**
Operating expenditure		
Housing management	1,209	1,110
Service charge cost	2,280	2,278
Routine maintenance	212	91
Planned maintenance	54	68
Major repairs expenditure	520	724
Bad debts	576	342
Property lease charges	2,062	2,088
Depreciation of housing properties and associated fixtures, fittings and equipment	401	437
Operating expenditure on social housing lettings	**7,314**	**7,138**
Surplus on social housing lettings (as per note 3)	**886**	**1,575**
Void losses (deducted from rent above)	**1,101**	**900**

Throughout the year we operated a few residential crisis services which are not considered to be social housing (and the premises were not provided with the support of social housing grant) and as such are excluded from all of the data contained within this note.

Income and expenditure reflect all social housing provided by Richmond Fellowship, irrespective of the intensity of support given as part of the service provision.

5. Leases

The Group lets certain of their housing properties to social housing tenants and to other social landlords.

Social housing tenancies
The social housing tenancy agreements are governed by housing law and rents levels are governed by the Government through powers derived from the Housing and Regeneration Act 2008. Housing law sets out various safeguards for tenants, the effect of which is to make gaining possession of the properties in the event of a default by tenant an onerous process requiring Court action by the Group. In addition, where a tenant is in default through the failure to pay rent due, the Court, rather than terminating the tenancy, will usually order that the tenant clears the arrears over a number of years by making small weekly payments.

The tenants have no statutory rights or rights under the tenancy agreements to purchase the properties.

Properties let to other social housing landlords
RF has a number of properties which are let under non-cancellable operating leases to other social landlords for the provision of social housing. RF will receive the following future rents from such properties:

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Rents due within one year	127	127	121	121
Rents due between one and five years	46	46	81	81
Rents due after five years	-	-	-	-
Total	**173**	**173**	**202**	**202**

6. Key management emoluments

The emoluments of the directors / key management were as follows:

The emoluments of the directors / key management were as follows:	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Emoluments (including pension contributions and benefits in kind)				
Executive staff	624	565	611	553
Non-executive directors	64	64	64	64
	688	**629**	**675**	**617**
Employers' national insurance	83	76	72	65
	771	**705**	**747**	**682**
Emoluments paid to the highest paid Director (Excluding pension contribution, including benefits in kind)	**125**	**125**	**124**	**124**
Pension contributions for the highest paid director	**8**	**8**	**8**	**8**

The Group Chief Executive is an ordinary member of the Group's defined contribution pension scheme. No special terms apply.

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Directors' emoluments, as defined by the Companies Act 2006	**691**	**691**	**529**	**529**

Five (2020 – five) executive directors were members of the defined contribution pension scheme.

7. Employee information

Average number of employees employed during the year:

Full time equivalents	2022 Group No.	2022 Company No.	2021 Group No.	2021 Company No.
Office Staff	120	108	115	106
Service Staff	1,007	861	977	838
Total staff	**1,127**	**969**	**1,092**	**944**

The full-time equivalent number of staff has been derived by reference to estimated hours worked.

Actual employees	2022 Group No.	2022 Company No.	2021 Group No.	2021 Company No.
Office staff	124	113	119	109
Service staff	1,051	917	1,263	1,108
Total staff	**1,175**	**1,030**	**1,382**	**1,217**

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Wages and salaries	26,767	23,229	26,788	23,119
Redundancy costs	101	101	116	116
Social security costs	2,231	1,945	2,165	1,868
Other pension costs	1,204	1,000	1,156	953
Total	**30,303**	**26,275**	**30,225**	**26,056**

During the year 13 people (2021, 21) were made redundant. Wages and salaries include £34k ex-gratia payments to 3 employees (2021 - £Nil). Non-contractual payments are made on an exceptional basis only and are individually approved by the Group Leadership Team.

Senior Pay Banding

In the year, the following number of staff within the business, expressed in full-time equivalents, were paid remuneration (including pensions) of over £60,000:

Staff remuneration bandings	2022 Group No.	2022 Company No.	2021 Group No.	2021 Company No.
£130,001 to £140,000	1	1	1	1
£110,001 to £120,000	-	-	-	-
£100,001 to £110,000	-	-	-	-
£90,001 to £100,000	1	1	2	2
£80,001 to £90,000	2	2	-	-
£70,001 to £80,000	2	2	3	3
£60,001 to £70,000	1	1	-	-
Total staff	**7**	**7**	**6**	**6**

Pension costs are analysed as follows:

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Defined contribution schemes, including contributions to state schemes accounted for as defined contribution pension schemes	1,162	912	1,093	890
Defined benefit schemes – current service costs	88	88	63	63
	1,250	**1,000**	**1,156**	**953**

8. Post-employment benefits

NHS Pension Scheme

The Group is an admitted body to the NHS Pension Scheme. The Group's contribution in 2022 was £27k (2021: £41k) and the total number of employees participating in the scheme at the end of the year was 10 (2021: 12). The Group has no on-going employer's liability in respect of this scheme other than to fulfil annual contribution obligations for members whilst they are employed by the Group. This scheme is accounted for as a defined contribution scheme as the scheme actuary is unable to provide any details of the notional assets and liabilities attributable to the Group. More details regarding the scheme are available from the NHS Pensions website.

2Care Pension & Life Assurance Scheme

RF operates a defined benefit scheme, the 2Care Pension & Life Assurance Scheme. The assets of the fund are held in a separate trustee administered fund. Contributions to the scheme are assessed with the advice of a qualified actuary based on valuations using the projected unit method. Future employer contributions to the scheme have been agreed as being 26.95% (2021 – 26.95%) of pensionable salaries plus life assurance costs. Future employee contributions have been agreed as 8.45% (2021 – 8.45%) of pensionable salaries. The fund is now closed to new entrants and as a closed scheme it is likely that the future contribution rates will increase.

A comprehensive actuarial valuation of the fund was carried out at 31 March 2019 by an independent actuary and updated at 31 March 2022 by a qualified actuary. Adjustments to the valuation at that date have been made based on the following assumptions:

	2022 % per annum	2021 % per annum
Inflation	3.60	3.20
Salary increases	3.60	3.20
Rate of discount	2.80	2.20
Pension in payment increases - pre 97 accrual	3.60	3.20
Pension in payment increases - post 97 accrual	3.60	3.20
Revaluation rate for deferred pensioners – RPI	3.60	3.20
Revaluation rate for deferred pensioners – CPI	3.10	2.60
Expected return on assets	2.80	2.20
Mortality assumptions:	**Years**	**Years**
Longevity at age 65 for current pensioners		
Men	22.2	22.1
Women	23.9	23.8
Longevity at age 65 for future pensioners		
Men	23.5	23.4
Women	25.4	25.4

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Total
	£000	£000	£000
At April 2020	**8,572**	**(7,383)**	**1,189**
Benefits paid	(100)	100	-
Employer contributions	34	-	34
Employees' contributions	11	(11)	-
Current service cost	-	(63)	(63)
Interest income / (expense)	-	(170)	(170)
Actuarial losses:	-	-	-
Return on plan assets excluding interest income	197	-	197
Actuarial gains / (losses)	1,335	(1,315)	20
At 31 March 2021	**10,049**	**(8,842)**	**1,207**
Benefits paid	(82)	82	-
Employer contributions	25	-	25
Employees Contributions	8	(8)	-
Current service cost	-	(88)	(88)
Interest income / (expense)	-	(195)	(195)
Actuarial losses:	-	-	-
Return on plan assets excluding interest income	221	-	221
Actuarial gains / (losses)	313	304	617
At 31 March 2022	**10,534**	**(8,747)**	**1,787**
Unrecognised deficit			(1,303)
Net assets at 31 March 2022			**484**

The unrecognised deficit as at 31 March 2022 was £1,303k (2021: £669k).

Amounts recognised in income and expenditure are as follows:

	2022	2021
	£000	£000
Current service costs	88	63
Financial income	(11)	(10)
Total	**77**	**53**

Amounts recognised in other comprehensive income are as follows:

	2022	2021
	£000	£000
Return on plan assets excluding interest	313	1,335
Experience gains and losses arising on plan liabilities	(72)	83
Effects of changes in assumptions affecting plan liabilities	376	(1,398)
Effects of changes in the amounts of the surplus that is not recoverable	(619)	89
Total	**(2)**	**109**

Plan assets are invested as follows:

	2022	2021
	£000	£000
Equities	546	881
Diversified Growth Funds	4,669	6,709
Liability Driven Investment	5,318	2,459
Cash	1	-
Total	**10,534**	**10,049**

9. Interest receivable and financial income

	2022 Group	2022 Company	2021 Group	2021 Company
	£000	£000	£000	£000
Interest receivable on deposits	12	9	5	4
Listed investment income	125	125	141	141
Net return on post-employment benefits	11	11	10	10
Total	**148**	**145**	**156**	**155**

10. Interest and financing costs

	2022 Group	2022 Company	2021 Group	2021 Company
	£000	£000	£000	£000
Recycled capital grant fund interest	**0.1**	**0.1**	**0.2**	**0.2**

11. Surplus for the year

	2022 Group	2022 Company	2021 Group	2021 Company
	£000	£000	£000	£000
Depreciation and impairment of tangible owned fixed assets	1,147	1,084	1,200	1,126
Auditor's remuneration: (Excluding VAT)				
Audit of Group Annual Accounts	62	62	59	59
Audit of Group Subsidiary Accounts	15	-	15	-
Operating Leases				
Receivables from non-cancellable operating leases	127	127	121	121
Payments under non-cancellable operating leases	415	415	389	389
Rents payable under property licenses	2,101	1,996	2,291	2,158
Surplus / (deficit) on disposal of fixed assets				
Net proceeds from the sale of fixed assets	407	407	1,190	1,190
Less: net book value of assets sold	(256)	(256)	(757)	(757)
Less: capital grant recycled	-	-	-	-
Total surplus on disposal	**151**	**151**	**433**	**433**

12. Housing and other properties used for social purposes

GROUP	Social Housing Properties £000	Nursing Homes £000	Crisis Houses £000	Day / Garden Centres* £000	Total £000
Cost:					
At 1 April 2021	**23,983**	**1,160**	**2,793**	**951**	**28,887**
Additions: existing properties	231	-	-	-	231
Additions: components	135	-	-	-	135
Disposals: components	(363)	-	-	-	(363)
At 31 March 2022	**23,986**	**1,160**	**2,793**	**951**	**28,890**
Depreciation:					
At 1 April 2021	**4,095**	**227**	**103**	**41**	**4,466**
Charge for the year	315	11	36	10	372
Disposals: components	(85)	-	-	-	(85)
At 31 March 2022	**4,325**	**238**	**139**	**51**	**4,753**
Net Book Value					
At 31 March 2022	**19,661**	**922**	**2,654**	**900**	**24,137**
At 31 March 2021	**19,888**	**933**	**2,690**	**910**	**24,421**

COMPANY	£000	£000	£000	£000	£000
Cost:					
At 1 April 2021	**21,828**	**1,160**	**2,793**	**951**	**26,732**
Additions: existing properties	-	-	-	-	-
Additions: components	135	-	-	-	135
Disposals During the year	(339)	-	-	-	(339)
At 31 March 2022	**21,624**	**1,160**	**2,793**	**951**	**26,528**
Depreciation:					
At 1 April 2021	**3,701**	**227**	**103**	**41**	**4,072**
Charge for the year	315	11	36	10	372
Disposals During the year	(73)	-	-	-	(73)
At 31 March 2022	**3,943**	**238**	**139**	**51**	**4,371**
Net Book Value	**17,681**	**922**	**2,654**	**900**	**22,157**
At 31 March 2022					
At 31 March 2021	**18,127**	**933**	**2,690**	**910**	**22,660**

Housing and other properties used for social purposes at cost comprise:

Net book value	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Freehold	18,976	16,996	19,083	17,322
Long Leasehold	685	685	804	804
	19,661	**17,681**	**19,887**	**18,126**

13. Other tangible fixed assets

GROUP	Freehold Office Premises £000	Leasehold Office Premises £000	Motor Vehicles £000	Information Systems £000	Fixtures, Fittings & Equipment £000	Total £000
Cost						
At 1 April 2021	**2,809**	**985**	**72**	**4,036**	**1,030**	**8,932**
Additions in year	-	-	-	1,060	-	1,060
Disposals during the year	-	-	-	-	-	-
At 31 March 2022	**2,809**	**985**	**72**	**5,096**	**1,030**	**9,992**
Depreciation						
At 1 April 2021	**492**	**366**	**61**	**1,754**	**914**	**3,587**
Charge for the Year	21	8	3	652	75	759
Disposals during the year	-	-	-	-	-	-
At 31 March 2022	**513**	**374**	**64**	**2,406**	**989**	**4,346**
Net Book Value						
At 31 March 2022	**2,296**	**611**	**8**	**2,690**	**41**	**5,646**
At 31 March 2021	**2,317**	**619**	**11**	**2,282**	**116**	**5,345**

COMPANY	Freehold Office Premises £000	Leasehold Office Premises £000	Motor Vehicles £000	Information Systems £000	Fixtures, Fittings & Equipment £000	Total £000
Cost						
At 1 April 2021	**2,219**	**492**	**66**	**3,689**	**867**	**7,333**
Additions in year	-	-	-	968	61	1,029
Disposals during the year	-	-	-	-	-	-
At 31 March 2022	**2,219**	**492**	**66**	**4,657**	**928**	**8,362**
Depreciation						
At 1 April 2021	**371**	**61**	**55**	**1,601**	**756**	**2,844**
Charge for the year	18	5	3	602	70	698
Disposals	-	-	-	-	-	-
At 31 March 2022	**389**	**66**	**58**	**2,203**	**826**	**3,542**
Net Book Value						
At 31 March 2022	**1,830**	**426**	**8**	**2,454**	**102**	**4,820**
At 31 March 2021	**1,848**	**431**	**11**	**2,088**	**111**	**4,489**

14. Inventories

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Consumables	169	167	129	128

15. Trade and other receivables

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Trade debtors	4,685	4,191	5,689	5,122
Less: Provision for bad debts	(1,247)	(1,212)	(806)	(806)
	3,438	**2,979**	**4,883**	**4,316**
Prepayments & accrued income	2,971	2,891	1,562	1,493
Amounts due from subsidiary undertaking	-	1	-	13
Other Debtors	12	11	12	11
	6,421	**5,882**	**6,457**	**5,833**

16. Current asset investments

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Investments listed on recognised stock exchange	4,002	4,002	3,798	3,798
At 31 March 2022	**4,002**	**4,002**	**3,798**	**3,798**

Investments listed on a recognised stock exchange comprise Schroders' Charity Multi-asset fund and CCLA-COIF Charities Ethical Investment Fund (Income).

17. Creditors: Amounts falling due within one year

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Trade creditors	1,761	1,719	726	707
Other creditors	177	150	253	226
Accruals & deferred income	3,958	3,221	3,768	3,281
PAYE, taxes & social security costs	691	611	607	532
Social housing grants (Note 20)	97	97	97	97
Other government grants (Note 20)	18	18	18	18
Recycled Capital Grants Fund (RCGF) (Note 19)	814	814	814	814
	7,516	**6,630**	**6,283**	**5,675**

18. Creditors: Amounts falling due after more than one year

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Social housing grants (Note 20)	6,851	6,851	6,918	6,918
Other government grants (Note 20)	861	861	912	912
Total	**7,712**	**7,712**	**7,830**	**7,830**

19. Recycled capital grant fund – Group and Company

	2022 RSH £000	2021 RSH £000	2022 GLA £000	2021 GLA £000	2022 Total £000	2021 Total £000
Balance at 1 April 2021	470	470	344	371	814	841
Recycled on property disposal	-	-	-	-	-	-
Repayments	-	-	-	(27)	-	(27)
Interest	-	-	-	-	-	-
Balance at 31 March 2022	**470**	**470**	**344**	**344**	**814**	**814**
Amounts repayable within one year	470	470	344	344	814	814
Amounts due over 1 year	-	-	-	-	-	-
Total	**470**	**470**	**344**	**344**	**814**	**814**

The balance with the GLA is £344k and relates to a grant released by the sale of Trelawn in the London Borough of Croydon. This will be repayable at 31 March 2023 if an alternative investment has not been approved by the regulator.

The balances with Homes England relate to grants released by the sales of Irving Road in Bournemouth and Feversham Crescent in York. The former is now due for repayment, but we intend to apply to recycle this grant towards the purchase of a premises in the same geographical area. The £12k balance that relates to the York property is due for repayment at 31 March 2023.

20. Government grants

The government grants received to enable the Group to acquire properties for social purposes. Should the properties to which the grants relate cease to be used for social purposes the grants may be repayable in full. The total grants received by the Group in respect of owned property are as follows:

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Grants credited to Income & Expenditure	3,249	3,249	3,119	3,119
Deferred grants (Notes 17 & 18) – Social Housing Grants	6,948	6,948	7,045	7,045
Deferred grants (Notes 17 & 18) – Other Government Grants	879	879	912	912
Total	**11,076**	**11,076**	**11,076**	**11,076**

21. Transfers between reserves

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Movement in restricted funds				
Net (income) / expenditure of restricted funds for the year	(649)	(1,227)	823	397
Restricted reserves formerly held by CAN and Croftlands Trust	(187)	(187)	(488)	(488)
Re-gifted donation to Isle of Wight	-	-	(193)	(193)
Movement in restricted funds	**(836)**	**(1,414)**	**142**	**(284)**
Movement in designated funds				
Transfer to / (from) maintenance fund	-	-	(198)	(198)
	-	**-**	**(198)**	**(198)**
Movement in revaluation reserve				
Net revaluation (loss) / gain	204	204	**630**	**630**
Movement in pension scheme reserve				
Net movement in recognised pension scheme asset	**(52)**	**(52)**	**(19)**	**(19)**
Total transfer to / from general fund	**(684)**	**(1,262)**	**555**	**129**

22. Restricted reserves

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Mental illness services to be provided in Cumbria (formerly held by Croftlands Trust)	1,736	1,736	1,776	1,776
Alcohol, drugs and gambling Services				
- Held by Aquarius Action Projects	4,703	-	4,125	-
- Other (formerly held by CAN)	611	611	758	758
Sundry	16	16	16	16
BIG Lottery	29	29	29	29
Employment services	-	-	1,057	1,057
Other small items	-	-	170	170
	7,095	**2,392**	**7,931**	**3,806**

During the year, we reclassified Employment services and Other small items as unrestricted reserves after a review of some the contracts. The review lead us to conclude, the contractual conditions indicated they were inappropriately classified as restricted reserves in prior years.

23. Designated reserves

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Maintenance	184	-	184	-

24. Other reserves

The general unrestricted fund represents the accumulated surpluses generated by the Group / Company since inception, to the extent that they are not represented by other reserves.

The revaluation reserve represents unrealised gains arising on revaluations of investments.

The pension reserve represents the recognised surplus on the assets of the Group's defined benefit pension scheme.

25. Other commitments

The Group holds housing accommodation, office premises and equipment on non-cancellable operating leases. The Group is expected to make the following future minimum lease payments under non-cancellable operating leases:

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Within one year	476	426	428	385
Two to five years	255	254	213	212
More than five years	466	466	473	473
	1,197	**1,146**	**1,114**	**1,070**

In addition to the above commitments, the group also occupies various properties under licence. Although the licences can be cancelled with minimal notice by either party, it is expected that the majority of licences will continue. The expected payments under such licences for both the group and the company is estimated as being £2.10 million (2021 - £2.16 million).

26. Accommodation in management

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

	2022 Owned No.	2022 Managed No.	2021 Owned No.	2021 Managed No.
Social Housing				
Supported Housing	275	402	264	399
Residential Care Homes	67	26	79	26
Total Units in Management	**342**	**428**	**343**	**425**

27. Financial instruments

As at the year end, the Group's financial instruments were as follows:

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Financial assets held at fair value	4,002	4,002	3,798	3,798

Included in profit and loss are the following amounts:

	2022 Group £000	2022 Company £000	2021 Group £000	2021 Company £000
Interest income on financial assets held at amortised cost	12	9	5	4
Interest expense on financial liabilities held at cost	-	-	-	-
Income from assets held at fair value through profit and loss	145	145	156	155
Change in value of assets held at fair value through profit and loss	204	204	630	630

28. Subsidiary undertaking

Richmond Fellowship has one subsidiary undertaking, Aquarius Action Projects ("Aquarius"), which is a registered charity (number 1014305) and a registered company (number 02427100) having its registered office at 236 Bristol Road, Birmingham, B5 7SL. Aquarius works with individuals, families, carers and professionals around issues of alcohol misuse, drug misuse, gambling and other behavioural problems.

29. Related party transactions

During the year the following transactions took place between Richmond Fellowship and its subsidiary companies:

Overhead recharges from the charity to:	2022 £000	2021 £000
To Aquarius Action Projects	297	296
From Aquarius Action Projects	(34)	(66)
Total	**263**	**230**

All transactions are charged at cost. Such costs are either direct or are apportioned based on estimated staff time. The total overheads subject to apportionment were £5,913k (2021: £5,521k).

30. Reconciliation of surplus for the year to net cash generated from operating activities

	2022	2021
	£000	£000
Surplus for the year	2,290	1,871
Movement on fair value of investments	(204)	(630)
(Surplus) on disposal of fixed assets	(151)	(433)
Net Interest (received)	(148)	(156)
Operating surplus	**1,787**	**652**
Depreciation and impairment charges	1,147	1,252
Pension net service cost	63	29
Movement in debtors	36	289
Movement in creditors	1,114	1,219
Movement in inventories	(41)	(13)
Net cash inflow from operating activities	**4,106**	**3,428**

THE RICHMOND FELLOWSHIP

England & Wales - Charity number 200453

Accounts

RICHMOND FELLOWSHIP
MAKING RECOVERY REALITY

REPORT AND ACCOUNTS

for the year ended
31 March 2021

RECOVERY FOCUS aquarius DViP my time RICHMOND FELLOWSHIP MAKING RECOVERY REALITY

Company No. **0662712** **Richmond Fellowship** is part of **Recovery Focus**, an expert group of charities **inspiring recovery**. Reg. Charity No. **200453**

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RICHMOND FELLOWSHIP GROUP BOARD MEMBERS AND ADVISERS

BOARD MEMBERS

Helen Edwards	Chair
David Brindle	Vice Chair *(resigned 1 May 2020)*
Martin Allen Morales	*(appointed 1 May 2020)*
Kapil Bakshi	
Geoffrey Bland	
Albert Fletcher	
Anne Tansi Harper	
Peter Molyneux	
Rachel Perkins	
Alan Powell	Vice Chair *(from 1 August 2020)*
Jonathan Royle	

Executive Directors

Derek Caren	Group Chief Executive
Tim Anderson	Group Director of People & Organisation Development *(resigned 1 December 2020)*
Tracey Bell	Group Director of Performance, Quality & Innovation
June Riley	Group Director of Finance
Robert Templeton	RF Director of Operations *(appointed 1 December 2020)*
Mary Wishart	Group Director of Business Development *(maternity leave of absence to 4 May 2020)*

SOLICITORS

Bates Wells & Braithwaite LLP (trading as Bates Wells)
10 Queen Street Place
London EC4R 1BE

BANKERS

Lloyds Bank Plc
4th Floor
25 Gresham Street
London EC2V 7HN

INDEPENDENT AUDITOR

Nexia Smith and Williamson
Statutory Auditors
Chartered Accountants
25 Moorgate
London EC2R 6AY

REGISTERED OFFICE

80 Holloway Road
London N7 8JG

COMPANY REGISTRATION

662712

CHARITY NUMBER

200453

REGISTERED PROVIDER OF SOCIAL HOUSING

H2025

WEBSITES

www.recoveryfocus.org.uk

www.richmondfellowship.org.uk

Introduction from the Chair and Group Chief Executive

Welcome to the Board Report and Accounts for the year ended 31 March 2021.

When we launched our ambitious new Group Strategy, "**Growing Stronger Together**" last year, none of us could have anticipated the year ahead. The challenges faced by our staff and service users over the last year have been unexpected and immense and it is an enormous tribute to all of them that we have come through as well as we have. We are immensely grateful.

In our work, we saw first-hand the pressures of the pandemic: pressures on day-to-day living as well on people's mental health and problems of substance misuse, domestic abuse and gambling. People using our services were not just dealing with their own life challenges, but the challenges being experienced by their families and the wider community. Our frontline teams have shown exceptional resilience to get us this far and as you'll see in this report deliver some fantastic progress against the targets we had set ourselves. But we have also used the past year as an opportunity to act differently, think differently and plan for a future which will be different from the one we expected.

We have adjusted our new Strategy accordingly and in the context of Black Lives Matters, we have revisited our diversity goals. We undertook a listening exercise using both surveys and pro-active video-conferencing 'lunches' open to all staff. We heard that whilst commitment was evident and progress being made, this was neither fast enough nor a strategic priority that would allow staff to feel their messages were being taken seriously. We responded by tasking a senior management group to make faster and more comprehensive changes and regularly report back across the Group. We will ensure all people we support get the personalised service they deserve (and will help most) and our staff reflect the communities we serve and are nurtured and supported to achieve their highest level possible, irrespective of who they are or what their background is.

So in amongst these seismic changes in our daily lives, the Group has continued to manage recovery journeys with barely reduced activity levels and a continuing focus on supporting people through to their definition of recovery. We have rolled out an ambitious quality improvement plan, delivered financial stability and new business, and supported our people to work in new ways to continue to successfully operate our services. The resilience of our staff has been huge and we registered record low rates of sickness and absence and a more stabilised staffing situation in most of our services.

Despite the pressures of having to adapt our services quickly in the past year, we have remained focussed on safe delivery of personalised recovery services. In our 2020 client survey we engaged most people to respond than for many years and despite the pressures, the number of clients with positive or stabilised scores in their recovery journey outcomes was a remarkable 91.8% with 95% of responses indicating that quality of life has improved and planned exits from RF services remaining over 90% and from Aquarius services, lifting to over 70% for the first time in many years.

But we want to make continuous feedback easier and more agile in terms of responding and so we are pressing on with new initiatives to make the voice of the people we support even stronger in 2021/22 as we press forward with our Working Together Strategic Plan.

Nonetheless, the operating environment remains tough and so we continue to work closely with existing and new delivery partners to combine our expertise to face these challenges. We opened a new Crisis House alongside Lancashire Care NHS FT. We also won an important new contract to deliver an open-access crisis service in Crawley (the Crawley Crisis Café) commissioned by the NHS, a natural extension of our long-term commitment to Crisis Care provision for and alongside the NHS. We also retained our Hampshire Supported Housing services, a significant contract to support a large number of people towards their own recovery following an improved model of care/support. We are working hard with commissioners to use the experiences of the pandemic to create more flexible options for service delivery. These are interesting times.

Finally, after 9 years of service we sadly said goodbye to David Brindle, our Vice-Chair and shortly after the year end, to Tansi Harper, after 7 years of service. David and Tansi have been at the heart of the Board's work to lead strategically and raise both ambition and standards for the Group.



Helen Edwards
Chair
3 August 2021



Derek Caren
Group Chief Executive

REPORT OF THE BOARD

KEY HIGHLIGHTS

Across England we supported 18,267 people. This map shows more clearly the areas in which we operate.

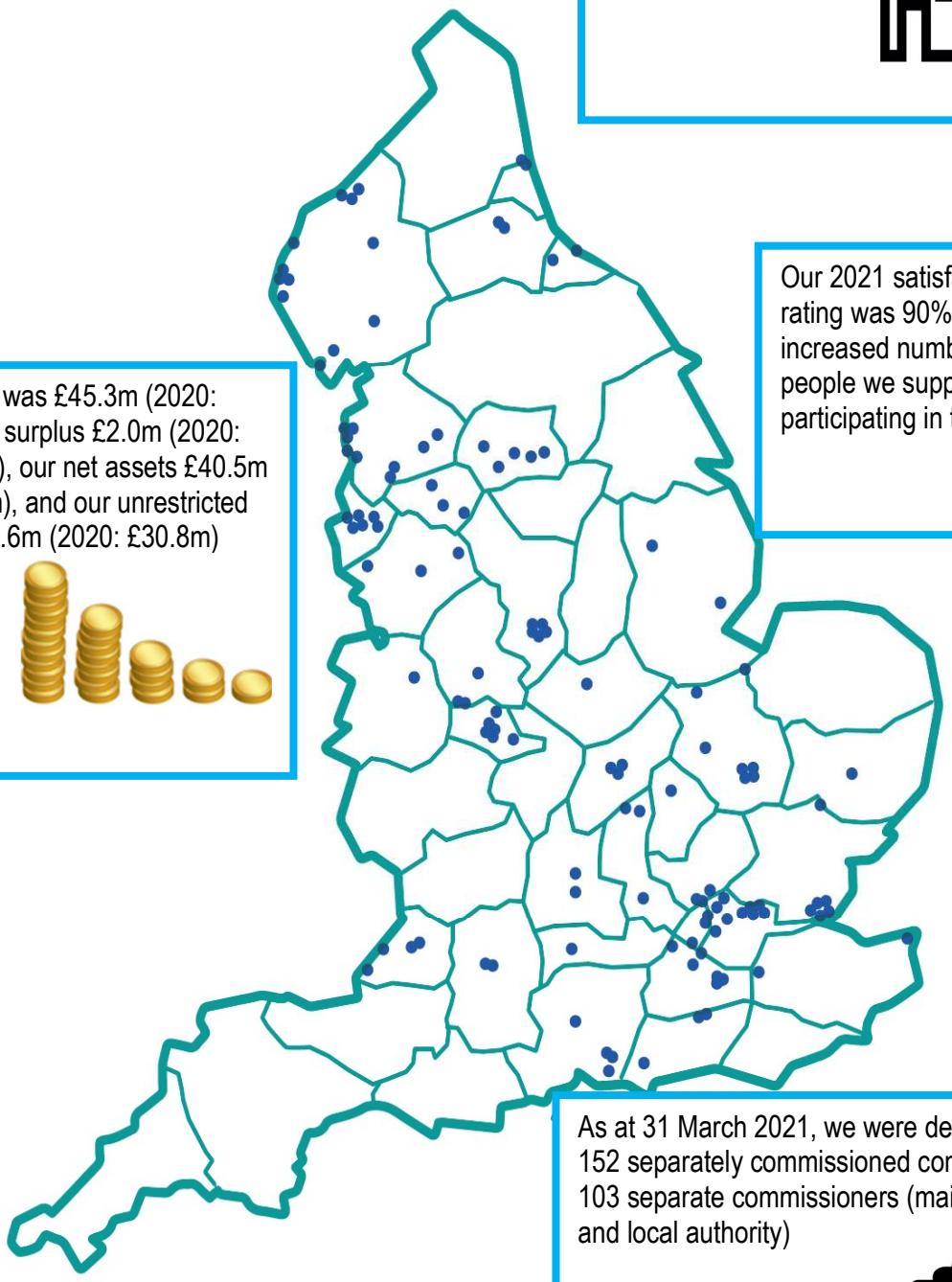
We provided residential services from 264 owned properties, 399 managed homes, 105 beds in registered care homes, and 30 beds in short-term crisis centres.



Our 2021 satisfaction rating was 90% with an increased number of people we support participating in the survey.



Our turnover was £45.3m (2020: £46.3m), our surplus £2.0m (2020: £1.2m deficit), our net assets £40.5m (2020; 38.5m), and our unrestricted reserves £32.6m (2020: £30.8m)



As at 31 March 2021, we were delivering 152 separately commissioned contracts for 103 separate commissioners (mainly NHS and local authority)



STRATEGIC REPORT

The Group Board presents its annual report (incorporating the strategic report) and accounts for the year ended 31 March 2021. This report is prepared in compliance with the Charities Act 2011 and the Companies Act 2006.

Our Group currently comprises Richmond Fellowship (RF) and Aquarius Action Projects (Aquarius) (together, "Recovery Focus"). RF and Aquarius are both registered charities and RF is also a registered provider of social housing. RF owns around a third of the homes used for residential services with the remainder managed by RF but owned by other registered providers.

The Recovery Focus Group brings together expertise in the fields of mental health, addictions, domestic abuse and related spheres. We have established a new form of collaboration to deliver the best possible outcomes for people using our services. As a Group we are able to better deliver:

- resilience in a difficult operating environment
- integrated models of care and support to match people's needs
- a stronger evidence base through collaboration, service investments and shared learning
- shared leadership which is defined and made clear
- efficient management of services based on geography
- shared support services and combined investment in infrastructure
- new business opportunities through joints bids

We want to work with strategic partners to collectively combine our expertise to deliver better outcomes for the people we support and together "do better business". We firmly believe a collaborative approach works more effectively in the modern care and support market where the pressures on commissioners and providers alike require everyone to respond more creatively.

OUR ACTIVITIES AND SERVICES

We are a highly experienced Group providing specialist support services to individuals and families living with the effect of mental ill health, drug and alcohol use, gambling and domestic violence.

We believe an autonomous Group approach works well in the challenging modern-day care and support market where fierce competition, low margins, and huge pressures on the NHS and local authorities, all bring their own significant pressures. This is compounded currently with the challenge faced globally of COVID-19 having a detrimental effect on the lives of the general population, and on the vulnerable people our services support.

The principal activity of the Group remains the provision of individually tailored support across a range of services. Our services cover varying levels of needs across the following areas:

- Crisis care – supporting those in crisis as an alternative to police custody or admission to acute hospital services
- Residential recovery – providing around-the-clock support, often as a step down from hospital
- Supported living – supporting the development of independent living skills, in accommodation we provide or in people's own homes
- Treatment and preventative services and carer support – supporting recovery of individuals and their kin, families and support/social networks
- Community-based services and peer support networks – tackling social isolation, promoting personal confidence and resilience and engaging in everyday mainstream activities
- Employment support – helping people stay in or return to paid employment, voluntary work or training and supporting employers to improve workplace well-being
- Domestic abuse interventions - working constructively with perpetrators to end their abusive behaviour and supporting survivors to create a safer space where they can start to rebuild a life for themselves and their families
- Social enterprise – supporting people using our services to secure employment experience through a number of separate initiatives across the country

We continue to develop our capacity and expertise operating in the fields of mental health, addictions, domestic violence and related spheres, despite the challenges of the year - strengthening the quality and range of support we provide and so inspiring recovery for more people. Making co-production a reality within the Group continues to be central to our delivery ethos. We continue to press for even greater consistency and compliance across all of our models of recovery

During 2020/21 we embedded the new Richmond Fellowship operational management structure we implemented in the previous year. This new structure increases the role of local management in the direction of the organisation, further devolves responsibility and ultimately supports our drive to improve quality and consistency across the Group. During the pandemic this new structure enabled a greater local freedom to work innovatively and quickly to keep the people we support safe and improve outcomes.

We made significant progress on our Working Together priority to put the people we support at the heart of everything we do. We set ambitious targets for even greater involvement of the people we support in their personal recovery plans. We introduced new feedback loops including exit surveys which will monitor, on an ongoing basis, key areas of delivery. We worked on our client management systems so that people we support are now able to directly access their own client records. This will enable them to track their recovery goals and wellbeing and use their own skills and interests to support their personal recovery. Our Working Together Committee, comprising people we support alongside non-executive directors and senior management, takes close scrutiny of the progress and sets metrics to better evidence how we are delivering on this key priority.

In the 2021/22 financial year we will focus on updating and honing our models of recovery – ready for the post pandemic future.

Our Group Strategy, Corporate Plan and Business Models

2020/21 was the first year of the Recovery Focus Group Strategy (2020-2023) entitled ***Growing Stronger Together*** which has a primary goal of *Inspiring Recovery* through the strengthening of the quality and range of our services. To deliver this aim we have identified five key enablers which are:

- put people we support at the heart of everything we do
- build an effective and motivated workforce
- secure and maintain stable finances
- develop an efficient and effective infrastructure
- build our evidence and demonstrate our impact

We will continue to use our reserves for investment, and we have selected strategic investment priorities, over four areas:

- Business efficiency improvements
- Social purpose asset improvements
- Acquisition of new housing properties
- Minor investments yielding high returns

Our desire to invest in IT and to modernise our digital platform to improve the services we deliver to our customers was accelerated during the pandemic. Having our investment strategy in place was a vital boost which enabled us to swiftly act and put into place vital infrastructure to continue our service effectively during the lockdown.

Corporate Plan 2020/21

Our key targets for delivery in the first year of the Group Strategy were drawn together in the Corporate Plan 2020/21. At the beginning of the year however we immediately revised both documents to incorporate our responses to two major world events, namely the COVID-19 pandemic (including the lessons we were learning both immediately and in the longer term). We were accelerating work already within the Strategy to ensure that our business was not only more diverse in its own right but also that the challenges relating to diversity were addressed head on and clearly as a priority.

As a result, we adjusted our targeted outcomes, some of which were accelerated and others which were deferred to later months. The highlights of what has been achieved include the following:

- We have begun to enable the people we support to manage their own client files and record all matters directly related to or ambitions in support of their personal recovery

- We now have the means to measure the effectiveness of our service satisfaction and our performance at co-producing everything we do
- Our targeted turnover, absence and recruitment fill rates are on track
- Our cash, net margin, reserves and new business targets are on track
- Our IT investments are progressing to plan and our new IT support arrangements are bringing about improvements to service
- We have acquired a new property in the year for expanding our crisis provision
- We are expanding our 'ways to feedback' as we expand our evidence base to establish and share best practice.

REVIEW OF THE YEAR AND KEY PERFORMANCE INDICATORS

The COVID-19 pandemic dominated the past year, and we like every other organisation felt the impact of these unprecedented circumstances. From the outset of the pandemic, we established a senior-level team to oversee our organisational response. A range of staff from across both Richmond Fellowship and Aquarius were involved and the response group met initially daily when the outbreak was at its peak. The Board held an additional meeting in April 2020 to focus solely on how the organisation was managing the immense challenge of the pandemic which brought with it uncertainty and risks. Regular updates were shared both through Board agendas and between meetings.

Communications have been a cornerstone of understanding the challenges and sharing experiences and solutions across the Group. We know how much the pandemic, and our response, will shape our work ahead and we have started to develop projects to hone our models of recovery and to redesign the way our staff will work in the future.

In 2020/21, the Group achieved a turnover of £45.3m - down from £46.3m in 2019/20. As a result of the pandemic, tendering activity was more modest in the year, with many commissioners delaying or deferring bids and tenders, but we saw significant increase in activity in the second half of the year. In the coming year a lot of existing contracts will be re-tendered, which should also bring us new opportunities. We retained £3.13m of existing business in the year. This attrition, combined with the loss of some existing contracted work, was mitigated by an additional £1.63m per annum value of new contracts won through tendering.

People we support to achieve their recovery outcomes

In 2020/21, 18,267 people were supported in their personal recovery by our services (2019/20; 19,105), each with a personalised care plan. The full breakdown of activity within the Group over the past year is as follows:

	2020/21	2019/20
Social housing provision:		
In supported housing	1,040	1,039
In registered care homes	145	123
Non-social housing accommodation:		
Care home with nursing	12	16
Crisis	1,700	1,553
Non-accommodation services:		
Employment related	2,412	3,163
Floating/community	5,382	4,544
Domestic abuse	820	1,124
Substance use/gambling	6,756	7,543
TOTAL CLIENT ACTIVITY FOR THE YEAR	**18,267**	**19,105**

As directors we monitor a range of indicators amongst which include:

Activity indicators	2021	2020	2019
Number of CQC registered services not meeting all core standards	0	1	3
Referral to treatment time of >3 weeks for treatment services	0.7%	5.5%	8.1%
Satisfaction indicators			
Clients surveyed who felt involved in planning their individual support	90%	94%	93%
% of clients with positive or stabilised scores in their recovery journey outcomes	92%	92%	94%
% of client exits planned – Richmond Fellowship services	90%	92%	92%
% of client exits planned – Aquarius services	72%	68%	67%
% of clients satisfied with the quality of their service	90%	93%	90%
% of residential clients (Richmond Fellowship only) satisfied with the quality of their accommodation	75%	84%	86%

At 31 March 2021 92% of the people we support were reporting positive or stabilised scores in their recovery journey outcomes. During the last year, 90% (2020; 93%) of departures from our services were planned exits having been empowered in their recovery to the point where they felt able to move on.

Satisfaction

In November 2020 we conducted our Annual Satisfaction Survey with people we support across our services. Despite the health and well-being challenges presented by the pandemic, we achieved a higher volume of responses from a wider range of services than in the previous year.

The overall satisfaction score was down slightly at 90% (2020; 93%). 95% (2020; 98%) of responses confirmed that the support we had offered had improved their life with 90% positively stating that they felt they had been directly involved in the planning of their personal support. Whilst many metrics have improved (and some significantly), others have deteriorated. We are reviewing the information at a more granular level to understand where trends are occurring and to what degree this has been impacted by the quality of service we could offer during the pandemic and where other more controllable issues have arisen. The survey, as ever, gave us clear messages around priority areas for improvement (including continuing to improve the condition of the homes we provide - both owned and sourced from other registered providers) and making giving feedback easier.

During the year we have added new methods of feedback, enabling us to respond more quickly to issues and plan more long-term improvements. This has included the roll-out of formal exit surveys with people we support.

Responses to the survey are cascaded by service model, region, and individual service across the group, to address the issues raised and to see how well services internally compare with peers. Local business plans contain an explicit commitment to improve. Drawing up these plans has continued despite the pressures on frontline services delivering during a pandemic.

FINANCIAL REVIEW AND FIVE-YEAR SUMMARY

Financial performance in the year

Supported housing is traditionally a low margin activity, but one of vital importance, giving support to the most vulnerable in our society. As a result of COVID-19, the year started in an environment of high risk and uncertainty, and we initially re-calculated our cashflows and year-end forecast expecting increased costs due to sickness absences, increased PPE and hygiene spend, increased voids and bad debt.

We managed to secure additional funding for some of our services to ensure we could continue to assist the people we support, change our service offering by providing services on-line and we used the savings we generated from travel reductions to ensure all of our working environments were COVID–19 safe. The escalation of our IT projects meant that staff could continue to work effectively from home removing any further risk of service disruption.

Our turnover decreased in the year by £1.0m to £45.3m (2020, £46.3m) but remained stable for all of our publicly funded services. The COVID-19 lockdown directly affected the turnover of our social enterprises, as our cafes and garden centre were force to close. Staff members working at these enterprises were furloughed and we received Government funding to support them whilst they were unable to work. Once allowed, the Old Moat garden centre, which provides support to many of our volunteers, was able to change its business model and generate income by selling goods on-line.

Despite this uncertainty, we are pleased to report a year-end surplus £2.0m (2020, £1.2m deficit) which will be used for future investment into our front-line services. This increase is largely due to the sale of three properties we made in the year which generated a surplus on sale of £433k, and savings we achieved in our operating cost as a direct result of the COVID-19 lockdown; we reduced travel, adapted to on-line training and deferred non-essential maintenance where building access was forbidden.

The results also include a positive non-cash return of £630k, generated from our investments, and a further positive return of £109k from the 2Care Pension and Life Assurance Scheme, as Richmond Fellowship is the sole employer of the Scheme.

The table below shows our financial performance for the past five years.

Financial data in £m's	2021	2020	2019	2018	2017
Comprehensive income					
Turnover	45.3	46.3	46.6	43.7	46.0
Operating surplus (before overhead)*	6.7	6.4	5.7	6.0	6.5
Operating surplus (as % of turnover)*	14.8%	13.8%	12.2%	13.7%	14.1%
Capital Investment					
Capital investment	2.0	1.3	3.5	4.3	2.1
Capital investment (as % of opening cash balance)	14%	10%	21%	22%	9%
Net assets:					
Cash	17.7	14.4	12.8	16.6	19.9
Other	22.8	24.2	26.9	22.5	19.8

* *This represents turnover less operating expenditure (excluding significant non-recurrent items (see note 6) and overheads arising from support functions and headquarters costs).*

PRINCIPAL BUSINESS RISKS AND UNCERTAINTIES

In 2020/21 we have evolved our reporting and oversight of risk by making some important changes by way of:

- A risk register that more closely aligns with our Group Strategy and has a clear statement around risk appetite (allowing a higher level of residual risk to occur);
- A more comprehensive approach to local operational and functional risk registers to ensure that areas of increasing risk are flagged and can be escalated as and when appropriate to the Group Risk Register;
- Further work to embed risk management culturally at every level of the organisation;
- Ensuring that emerging risks have clear and specific mitigations, owners and desired outcomes.

We worked with our new Internal Audit Team (RSM) to ensure that we were using best practice to guide our developing approach. The Audit and Assurance Committee oversee the entire register, but each Board Committee and the Aquarius Board all take a risk-based approach to their responsibilities, giving their respective assurances to the Group Board.

A lot of the risk focus in the year has been on the cross-cutting risks attached to managing the **COVID-19 pandemic**. We continue to remain fleet of foot to deal with local pressures and new methods of delivery as we seek to deliver as close to "business as usual" in terms of our outcomes, as possible. Policies and processes are being continually refreshed to reflect these new ways.

The risks to our Group from not promoting inclusion and celebrating and supporting **diversity** are significant and have been firmly in the spotlight during the year. We have re-doubled our programme to address this task and we are working to ensure this is a genuinely collaborative process including our workforce at every level and the people we support.

The rapid changes needed to adapt and continue to deliver our services during the pandemic has significantly altered the risks to our partners in delivering **safe and effective services.** We ensure that our commissioners are fully briefed on how continuous service is being achieved and the pathways and policies to support the new delivery methods are being co-produced to ensure the expertise of the people we support is being used to best effect so we remain as person centred as possible. This undertaking is supported through our Working Together Strategic Plan which drives co-production improvements, inclusion and continuous feedback. In turn this drives continuous quality improvement. Our governance groups and Committees ensure the necessary checks and balances are in place.

Following on from this significant period of managing the pandemic in our lives, we stay attuned to the **general economic and social environment.** Strong evidence has already emerged showing the impact of the pandemic on domestic abuse, substance use and mental health. We continue to remain vigilant to these pressures on the existing people we support but in turn we hope too that the statutory agencies are able to secure additional funds for new and more innovative services to tackle this pressing demand.

Our principal people resource risk is from **enduring high levels of staff turnover** and its resultant impact on continuity of service and team morale. The pandemic has played a role in prompting people to re-evaluate their work commitments and this has stimulated both stability and change. At the same time, our wellbeing and development programmes have been intensified to ensure our workforce is supported wherever possible. We have also maintained other benefits including pension flexibility, sickness and other leave provisions and celebrating long service. In terms of improvements, we have made significant changes in the year in terms of how recruitment takes place, how we recruit people who share our values as well as for their skills and how we induct and support performance improvements within our teams. The People Committee, reporting to the Group and Aquarius Boards, maintains a close oversight of progress.

Ensuring our business remains **sustainably viable** remains a relentless pressure and thereby a key risk to be managed. Our value for money agenda is driving financial efficiencies through better use of assets, removing duplication and increasing automation, smarter procurement and delivering using new methods. Commissioners continue to re-tender services exerting pressures on both quality and price, but we have competed well during the year. Given the long-term economic prospects, we will continue to apply pressure in all areas to work more cost effectively. This includes the development of new delivery partnerships.

Finally, the UK has exited the EU and we are all now adjusting to new ways. At present the impact on our business is small but we continue to scrutinise the situation to allow us to respond as necessary.

COMPLIANCE WITH OUR STATUTORY DUTIES UNDER SECTION 172 OF THE COMPANIES ACT

The directors of Richmond Fellowship always adhere to acting in a way that they consider, in good faith, will be most likely to promote the success of the company for the benefit of the people we support in the long term (as well as the immediate needs of our current beneficiaries). To do this we pay particular regard to:

(a) the likely impact and consequences of all our decisions in the immediate and long term, with social and financial returns clearly spelled out alongside the wider impact assessments,

(b) the interests of all of our stakeholders, through working closely with, and listening to, issues flagged by the people we support, our staff (including volunteers), our commissioners, regulators and all of our suppliers and customers – and taking seriously all feedback we receive to help us to deliver on this commitment;

(c) clearly understanding the impact of our services and how we deliver these, whilst continuing to provide value for money services, on our local and wider communities and the environment generally; and,

(d) conducting our business to a high standard of conduct, which is reflected in how our staff approach their work and in our expectations from our partners and providers to ensure this ethos permeates every aspect of our delivery.

References to how we have conducted our operations in this way over the past year are referenced throughout this report, together with relevant targeted improvement plans.

DIRECTORS REPORT

FINANCIAL RISK MANAGEMENT

We pro-actively seek to minimise our exposure to risk wherever possible. A potentially significant risk is the credit risk from bank balances. We also face market risk from listed investments and liquidity risk from our trade debtors. Trade debt in particular has been challenging during the pandemic and resultant national lockdown. We have had to find new ways of working, but with close management scrutiny and clear accountability, we have managed to keep a very firm grasp on this area. Much of our trade debt by value is due from the government in one form or another so ultimately credit risk is not considered to be significant.

Our liquidity remains sound, so we remain focused on improving returns and finding suitable investment options to better use our cash resources for furthering our objects. We have cash reserves and short-term cash deposits broadly equivalent to 190 days (2020: 137 days) of wage/salary bill. Currently we have 79% (2020: 85%) in liquid assets. The investments are split between the Cazenove Charity multi-asset fund and CCLA-COIF's ethical fund (relatively low risk funds), both portfolios engaging only with opportunities which can demonstrate high ethical standards. Investment managers present regularly to our Business and Finance Committee to ensure that the evidence of these standards is robust.

We remain free of loan financing and as such, covenants, gearing and securitisation are not currently a risk for us.

We continue to pursue a strategic use of our reserves as rates of return for cash balances remain poor. The returns achievable under this strategy are a more beneficial use of reserves.

POST BALANCE SHEET EVENTS

On 31 May 2021, Tansi Harper retired from the Board. Geoff Bland will leave the Board on 31 August 2021. They will be replaced by Ian Ayling (from 2 June 2021) and Maureen Hopcroft (from 1 September 2021). Martin Allen Morales left the Board on 16 July 2021. We are currently recruiting for his replacement.

OUR PEOPLE

Our People Strategic Plan is key to our delivery of the Group Strategy 2020-23. We made important progress in the year to move closer towards our key deliverables in that Plan, which cover:

- Improvements to recruitment, retention and progression rates
- Staff Surveys reflecting increased job satisfaction, engagement and recognition
- A competitive reward package within the context of affordability
- Consistently effective leaders and managers across the Group working to a standard framework
- Increasing numbers of individuals with lived experience in paid positions
- Delivering a more diverse workforce across all grades/roles, relative to the wider population and the diversity of people we support in our services
- Aiming for and achieving Gold in our Investors in People re-assessment

Due to the huge levels of financial uncertainty in 2020/21 brought about by the pandemic, staff did not receive a cost of living pay award at the beginning of the year. However, all staff were awarded a non-consolidated payment at the end of the year as the financial position become more certain. In addition to this, front-line staff working within residential settings, who continued to go into their place of work during the height of the pandemic, were awarded a one-off recognition payment as an appreciation of their commitment; all other staff received a recognition voucher as a "thank-you".

All our recent pay awards have been on a sliding scale in order to significantly benefit frontline staff first and foremost. Our local frontline management are key to our success, so we will ensure that their reward closely matches market medians.

Aquarius acted similarly in 2020/21 due to the high levels of uncertainty, and the Aquarius Board remains committed to re-shaping the business in 2021/22 and introducing a new, fairer pay and reward system.

We have done a lot of work during the year to support the health and well-being of our workforce. Their resilience has been remarkable during the past year's challenges, and we must and will ensure that they continue to feel safe and supported whilst delivering our services.

We continue to drive greater consistency across our services with a new leadership and management framework in place and a bigger role for peer support workers and volunteers in our services (who may or may not be pursuing routes into employment), in addition to doing more to recruit people with lived

experience. All these initiatives mean our staff are in an even better position to support people on their recovery journey. We continue to work with commissioners to offer more services (across all our recovery models) using this approach.

Richmond Fellowship has a constructive, long-standing trade union recognition agreement with UNITE and has a formally constituted Joint Negotiation Committee (JNC) for matters relating to pay (both contractual and non-contractual). Both Richmond Fellowship and Aquarius have Staff Councils which function well and meet quarterly to run through key issues around the running of both businesses. Reports from these meetings are reviewed by the People Committee of the Group Board and the Aquarius Board.

During the year we paid particular attention to the following indicators:

Activity indicators (annualised)	2021	2020	2019
% of days lost arising from sickness	2.4%	4.6%	5.2%
% of voluntary turnover in the past 12 months	21%	29%	27%
% of workforce from BAME backgrounds compared to client %	+1.5%	+0.3%	-1.0%
% of workforce completing mandatory training during probation	91%	99%	97%
Client satisfaction indicators			
Client feels staff treat them with dignity and respect	95%	97%	96%
Client feels keyworker listens to client's views and acts on them	94%	96%	96%
Client feels supported by staff to achieve plan goals	93%	96%	93%

To relieve some of the pressure on frontline staff during 2020/21 we postponed our bi-annual staff survey, and this will now take place in 2021/22.

Our Group workforce as at 31 March 2021 comprises the following:

- 72% female (71.6% in Richmond Fellowship and 76.7% in Aquarius). This is higher in frontline services (73% compared to 62% in office-based functions). 43% of the Group Leadership Team and 40% of the Richmond Fellowship Board are female.
- 17.1% of the Group's workforce self-classify their ethnicity other than white (18.3% in Richmond Fellowship and 9.4% in Aquarius) – the equivalent data for the Group Leadership Team and Board is 14% and 20% respectively.
- 6.1% of staff consider they have a disability (6.1% in Richmond Fellowship and 6.3% in Aquarius);
- 9.1% of staff consider they have lived experience of the issues that our services currently support (ranging across mental health, substance use, gambling and domestic abuse). This breaks down 9.9% in Richmond Fellowship and 3.8% in Aquarius.

As already flagged, a cross-functional project group has agreed a plan of action in 2020/21 to be rolled out in 2021/22 to make our organisation more diverse and do more to directly support diverse groups to progress within the organisation and be sensitive to their needs and the impact that policy and other decisions have upon people with diverse backgrounds.

In 2020, using the new formulae prescribed by HM Government, we saw our median gender pay gap widen slightly, but this remains at less than 3%. We continue to closely monitor our position.

At 31 March 2021 our services were supported by 173 volunteers (169 in 2019/20) in place across the Group, 38 in Aquarius and 135 in Richmond Fellowship. We had hoped for a more significant expansion of our volunteering programme engaging people with lived experience into our service delivery, but this was significantly impacted by the pandemic. We hope to do more work to unlock this significant potential in 2021/22.

DIVERSITY, EQUALITIES and SOCIAL RESPONSIBILITY

One of our core values is a commitment to social inclusion, which is vital to our aim to reduce stigma faced by the people we support. It is important to us that our organisation reflects and celebrates the diversity of the communities we serve, and our commitment is a golden thread through our organisation culture, as well as our key strategies, policies and processes. Our workforce is a very strong reflection of the diversity of the people we support, and we measure this closely to be sure of the balance.

In the year, we continued to work through the action plans arising from our most recent Investors in People (Silver Award) and Investors in Diversity accreditations. However, we recognise that the drive to make our workforce more diverse and the support we give to staff from diverse backgrounds needs to move at a more ambitious pace. We have therefore set up a multi-functional project team to drive cultural change through the organisation and set ourselves significantly higher targets to turn intentions into changes in behaviour.

We have refreshed our Impact Assessment framework for policies and key decisions and focussed on the impact of four key areas: our end users, equalities, environment and data privacy.

We proudly hold accreditations from Investors in People and Investors in Diversity. We are also accredited as a Disability Confident employer. This verifies our approach to ensuring recruitment is inclusive and accessible. It also mirrors our efforts to promote the involvement, including employment, of people with lived experience in delivering our services and support functions.

We appreciate that inclusion and social responsibility is a dynamic goal which requires constant monitoring, clear leadership and strong training and awareness programmes. We have a broad range of mandatory training (sadly mostly 'virtual' in 2020/21, but we value face-to-face and more interactive learning highly) alongside our cyclical awareness programmes which underpin the culture and behaviours we want to demonstrate across the Group. This mandatory training is for board members, our staff and volunteers, and other partners who work closely with us to deliver our support programmes

Through our social enterprises and other initiatives, we can directly engage with communities where our services are located, supporting the integration of those who are part of our social enterprise services into these communities. It has been a tough year for our social enterprises, with business models affected greatly by the national lockdown. The social return on these services remains high, and as the world reopens, we are supporting them by making adjustments to ensure they retain sustainable long-term business models.

The physical and emotional wellbeing of the people we support, and our workforce, is one of our key priorities. We annually review all key policy, practice and learning (both internally and in the wider sector) in relation to our duty of care obligations. This has included updating our approach to safeguarding, risk, leadership and management and whistle-blowing as well as updating our statement to remain ever vigilant group-wide, against Human Trafficking and Modern Slavery.

ENVIRONMENT

We are committed to improving our environmental awareness and reducing the impact of our business on our environment, both now and in the future.

Aquarius first achieved ISO 14001 (Environmental Management Standard) status in 2012 and maintains its accreditation. Neither Richmond Fellowship nor Aquarius has ISO 50001 (energy management) currently but that position remains under review and we expect to update our Estates Plan in the near future which will set targets for the Group in terms of managing and improving our future green footprint. This will be aligned with our Group Environment Policy.

We have collected 12 months continuous consumption data for a significant proportion of the premises we operate services from and extrapolated this data across the premises portfolio using consumption profiling. The period covered by the monitoring was April 2020 – March 2021. The calculation estimates total consumption at 7.2m kWh with 7.1m kWh on fossil fuels (broadly equivalent to 1.5m kg CO2, with 0.4m kg CO2 from electricity usage, including transmission and 1.1m kg CO2 from natural gas supplies). A further de minimis consumption of 112k kWh (1.9% of total consumption, equivalent to 20k kg CO2) estimated for use of public and private transport in delivering our services (NB. there is no use of air or sea travel for this purpose). The 2020 kWh to CO2 conversion rates have been applied.

We have worked with expert advisers to identify potential savings, by improving our lighting systems to LED and introducing more automated energy efficiency features, including heating controls in our buildings and heating and hot water boiler upgrades. We will map out where investment can be prioritised to achieve greatest impact as part of the planned Estates Plan review.

Further work needs to be done to routinely monitor water consumption and waste to further stretch our environmental impact reduction targets. We always seek to procure sustainably across our supply chain and will be looking at more of our routes to procurement in the coming year

FUNDRAISING

As in previous years, as a Group we do not currently engage in unsolicited direct fundraising – either to specific supporters or the general public. Occasionally, of their own volition, individuals who have been affected by services provided by the Group engage in a sponsored activity and donate their proceeds to a service or partner within the Group. When approached in advance, the Group supports such gestures by providing charity branded materials to support the event.

The Group does not participate in any voluntary regulation schemes for fundraising. It does not use commercial participators or professional fundraisers, pursues no organisation-wide fundraising programmes, has received no complaints regarding fundraising in the year and did not actively monitor individuals who independently raised funds for the Group.

LEGAL STRUCTURE AND GOVERNANCE

The legal structure of the Group throughout the year has remained as Richmond Fellowship acting as parent of a single, wholly controlled charitable subsidiary, Aquarius Action Projects (known as Aquarius).

Richmond Fellowship's objects as they appear in the Articles are:

- *to provide a home and community life for the Fellowship's Beneficiaries:*
- *to provide care, assistance and treatment to the Fellowship's Beneficiaries;*
- *to advance the education of the public in all aspects of the treatment and care of the Fellowship's Beneficiaries; and*
- *to advance other exclusively charitable purposes*

The Group Board is a unitary board comprising up to five executive directors and up to ten non-executives. For any vote, the number of non-executives present must exceed executives. New Group Board directors are recruited in accordance with specific provisions in the Richmond Fellowship Articles and are taken through a tailored induction on joining. Board members are provided with training support identified from regular appraisal and review discussions.

The Group has standing orders and a schedule of delegations in place to underpin the Articles. A Procedure Agreement is in place between parent and subsidiary. This sets out the respective duties, delegations and responsibilities of the Group and Partner (Subsidiary) Boards in the governance of the subsidiary.

To align with our new Group Strategy and new ways of service delivery, a number of policies and processes were updated in the year including: risk management, safeguarding, information governance and data management – all policy areas defining how we apply our values to deliver a safe and sustainably viable business over the longer-term. Increasingly policies are written now for the Group, with local procedures developed to deliver these policies in different settings according to the model of recovery they are delivering.

REGULATION AND COMPLIANCE

The Group complies with the requirements of the Regulator of Social Housing, the Charity Commission, Charities Acts and Companies Acts, seeking consent, filing returns and publishing accounts as required. Compliance updates go to each meeting of the Audit and Assurance committee of the Board. A small number of our services are registered with and subject to inspection by the Care Quality Commission.

Statement on public benefit

The purpose of the Group is laid out in the charitable objects above. Prospective users of services across the Group are usually referred to the provider organisation by a psychiatrist, general practitioner, or other health care professional. Day care and other non-residential services are provided free of charge at the point of delivery. Rent and any other charges for housing, residential care and nursing homes are usually covered by a range of housing and other benefits. The Group Board has given due regard to the Charity Commission's guidance on providing public benefit in its decision-making and considers that all Group activities provide public benefit.

Statement of accountability

The Group Board accepts the obligation to account for its actions in an open manner to people who use our services, our regulators, commissioners, and other stakeholders, including the wider public. The Group Board also accepts the obligation to ensure that Group companies deliver the standards of probity required by law, by their regulators and appropriate to their position in the community. The Group aims to achieve a

high level of corporate social responsibility subject to its overriding duty to fulfil its charitable objects and to use its charitable resources for that purpose.

In addition to putting people who use our services at the centre of everything we do, the Group Board remains committed to our Recovery Focus Group identity, bringing like-minded expert partners together. We will continue to build the identity and profile of both the Group and individual partners over the coming year.

Statement of compliance with the RSH's governance and viability standard and the NHF Code of Governance

The Governance and Financial Viability Standards of the Regulator of Social Housing (RSH), effective at 31 March 2021, requires compliance with an "appropriate code of governance, giving reasons for the choice and explaining areas of non-compliance". RF has chosen the National Housing Federation (NHF) Code of Governance, which in turn requires compliance with the NHF Code of Excellence in Conduct. During the year, the NHF re-issued their Code and the Group Board has committed to its adoption during 2021/22. As such the 2022 Directors' Report will report against the new 2020 Code, but for the purposes of this report, we continue to assess ourselves against the 2015 Code, in common with peers.

The Board considers the regulatory standards and matters covered by the Code through the ongoing work of the Audit and Assurance Committee. In July 2021, the Committee reviewed the Group's compliance and concluded that this had been demonstrated, approving the following statement of compliance:

''Richmond Fellowship is a member of the National Housing Federation (NHF) and endorses the NHF Code. The Code is an integral part of RF's agreement for services with its non-executive directors. RF is compliant with (or taking steps to achieve compliance) with all requirements of the Code that are relevant to it as a small, specialist registered provider of social housing and registered charity. The RF Group has rigorous governance arrangements which are audited regularly by our engaged firm of internal auditors and meets the reporting requirements of the Regulator of Social Housing and the Charity Commission."

The specific area of non-compliance with the NHF Code is explained as follows:

Requirement	*Reason for non-compliance*
(B4) Boards should have at least five members and no more than twelve, including any co-optees and any executive board members.	To meet the demands of our complex and changing Group, the Group Board comprised 15 members in total (with the Articles allowing a maximum of 15) as at 31 March 2021: this includes 5 executive directors as RF has a unitary board.

One new Group Board appointment was made in 2020/21 with our longest serving director, David Brindle, retiring after completing a maximum 9 years' continuous service. He was replaced by Martin Allen Morales who brings the benefit of his diverse skills and experience as a consultant and entrepreneur. We remain of the belief that having a unitary (and therefore larger) board currently serves our Group well.

As part of its annual self-evaluation process, the Board has concluded that the business case for payment of non-executive Group Board members remains valid and of benefit to the charity. The levels of payment in place are reviewed annually and these will be fully benchmarked in 2021/22 to ensure they remain at the right level for the responsibility and expectations we make of our non-executives. Each board member receives one-to-one reviews of their contributions to the effective overall working of the Board (further detail below).

DISCLOSURE OF INFORMATION TO THE AUDITOR

The Board confirms that, in fulfilling their duties as directors, they have taken all the necessary steps in order to make themselves aware of any information relevant to the audit and to establish that the auditor is made aware of that information and, so far as the directors are aware, there is no relevant audit information which has not been brought to the attention of the auditor.

Approved by the Board and signed on its behalf by

H. Edwards
Helen Edwards (Sep 28, 2021 16:54 GMT+1)

H Edwards, Chair of the Board

3 August 2021

STATEMENT OF THE GROUP BOARD ON VALUE FOR MONEY

To comply with the Regulator of Social Housing's latest code of practice on value for money, as a registered provider we are required to publish our performance against a given set of key indicators which is shown below:

			Benchmarking (based on 2020 Global Accounts)						
Sector Scorecard	**RF 2021**	**RF 2020**	**A**	**B**	**C**	**D**	**E**	**F**	**2020 Ranking**
> Business Health									
Operating margin (overall)	2.0%	(0.1%)	10.1%	22.8%	3.5%	6.9%	4.4%	(0.7%)	6th
Operating margin (social housing	18.1%	25.5%	4.1%	6.7%	2.3%	2.3%	8.4%	(1.6%)	1st
EBITDA MRI (as % interest)	n/a	n/a	478.4%	102.0%	515.5%	333.9%	238.0%	(262.9%)	n/a
> New Supply delivered									
Social housing units - %	0.0%	3.4%	2.1%	2.6%	0.0%	0.4%	0.4%	9.3%	=6th
Non-social housing units - %	n/a	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	n/a
Gearing	n/a	n/a	1.4%	36.2%	(0.8%)	8.2%	14.2%	(25.0%)	n/a
> Effective asset mgt									
Return on Capital Employed - %	2.4%	(0.1%)	1.8%	1.9%	1.8%	0.9%	1.5%	0.0%	1st
>Outcome delivered									
Reinvestment	n/a	n/a	4.2%	6.2%	2.3%	1.5%	2.3%	5.7%	n/a
>Operating Efficiency									
Headline social housing unit costs	£ 7,596	£ 6,831	£ 12,490	£ 10,460	£ 22,850	£ 26,140	£ 6,650	£ 22,240	2nd
Management cost per unit	£ 841	£ 872	£ 2,701	£ 1,903	£ 4,475	£ 10,462	£ 7,207	£ 16,474	1st
Service charge cost per unit	£ 1,762	£ 1,871	£ 5,770	£ 1,905	£ 8,770	£ 9,690	£ 8,567	£ 11,032	1st
Routine Maintenance cost per unit	£ 77	£ 87	£ 2,282	£ 1,208	£ 3,282	£ 2,152	£ 4,067	£ 2,264	1st
Planned Maintenance cost per unit	£ 57	£ 35	£ 2,650	£ 945	£ 1,310	-	£ 176	£ 716	1st
Major repairs cost per unit	£ 571	£ 193	£ 558	£ 751	-	£ 45	£ 964	-	3rd
Lease costs	£ 1,880	£ 1,829	-	£ 2,618	-	-	-	£ 4,986	1st
Capitalised major repairs expenditure	£ 343	£ 61	£ 724	£ 183	£ 182	£ 1,772	£ 1,528	£ 889	3rd
Other (social housing letting) costs	£ 326	£ 481	£ 1,736	£ 475	£ 202	-	£ 186	£ 484	3rd
Other social housing activities: charges for support services]	£ 19,935	£ 22,453	£ 11,994	£ 5,368	£ 10,321	£ 40,460	£ 2,866	£ 21,986	5th
Total social housing units owned and/or managed at period end	771	786	2,302	1,468	1,249	2,471	3,921	2,645	7th

It is important for us to get the best value we can from our resources. To test this, we benchmark ourselves against a selected group of peer organisations to help to give us an objective perspective. We have identified six similar sized registered providers of social housing who provide care and support services and operate in similar geographic areas to compare ourselves with. We have selected their metrics from the 2020 Global accounts of private registered providers and ranked our performance for each of the above key measures. We believe this is an effective way to get an objective point of view on our performance to help us to learn, plan, grow and take corrective action where we find this to be necessary.

Our results show that our headline social housing unit cost metric has increased from £6,831 to £7,596 per unit. This increase is largely reflecting our increased investment in major repair expenditure. We planned to invest further in our properties, but due to the COVID – 19 lockdown we have deferred some of our non-essential maintenance work to 2021/22. The overall results place us in second position when compared to our peers (2020: third position). As the lockdown was beginning to ease towards the end of the financial year, a decision was made to carryout a substantial deep-clean project across a large majority of our social housing properties which included garden clear-ups. This had a positive effect on the people we support in these properties and staff working in them, as many of the external cleaning and maintenance services had been minimised during the pandemic.

Value for money through delivery

The Group continues to promote value for money improvements through the following main channels:

- Co-production – through increasing levels of co-production we can deliver services differently and more effectively using local ideas and innovations.
- Governance – through scrutiny and assurance we ensure that the people we support get value for money by internal and external benchmarking and robust budgeting.
- Delivery processes – the pandemic has forced us to re-assess how we work and how we might deliver services differently. We are aligning this with our digital strategy, to make our business more technology driven, and end user focussed.
- Consistent and improved models of recovery and procurement – the pandemic has given us further impetus to hone our models of recovery. Group-wide we are driving a procurement initiative that will yield consistent and effective outcomes with an even more affordable cost base.

We have worked hard in compiling the Corporate Plan, to ensure that our plan priorities take on board how these will impact and improve our regulatory indicators.

Procurement

The Board approved a procurement strategy 2020-2023 with a focus on strengthening the Group's approach to procurement and supporting the achievement of the 2020-2023 Group Strategy **'Growing Stronger Together'**. The aim of this strategy is to ensure that procurement activities are undertaken efficiently and economically. The strategy provides direction to strive for best practice in procurement while constantly improving value for money and the quality of goods and services that are procured. It outlines the role that procurement will play in the delivery of the Group's priority objectives:

- To evaluate and improve current procurement practices to achieve better value for money and to ensure the Group's needs are met efficiently and effectively.
- To ensure that good practice examples are identified and applied consistently across the organisation.
- To review our products to ensure these are providing a return on investment.
- To renegotiate contracts to maximise economies of scale.
- To reduce our environmental impact and increase our sustainability, making the best use of our national footprint.
- To ensure that current and future procurement activities are planned, monitored and reviewed effectively.
- To create a structure where we can share resources, drive innovation and create more efficient ways of working.
- To use digital solutions to create the most efficient and effective procurement methods to deliver the best possible service.
- To use digital solutions to strengthen the financial controls of the business procurement process – using Workday purchase to pay.
- To identify opportunities for collaboration with others to widen the scope for maximising purchasing power and identifying innovation.
- To identify what part customers will play in the procurement process.

STATEMENT OF THE GROUP BOARD ON INTERNAL CONTROLS ASSURANCE

The Group Board is responsible for controls assurance across the whole Group and reviewing its effectiveness. The directors recognise that such systems can provide only reasonable, not absolute, assurance against material misstatement or loss.

Board Members and Meetings

A full list of Board Members is available on page 1. The Group Board met formally seven times during the year. Attendance overall (including Executive Directors) at these meetings was 94% (2020; 91%). Despite not meeting in person, additional sessions allowed board members broader and more exploratory strategic and governance related discussions. These team development sessions have included many areas including safeguarding, market changes, succession and unconscious bias. Scrutiny of the business continues, and all our legal and regulatory commitments are being met.

Directors participate in one-to-one reviews of the Board, its Committees and their own personal performance - identifying areas for action and any development needs. We use the skills matrix alongside the priorities in the Group Strategy to assess strength of governance, future Board needs and the desirable values, experiences, and knowledge in identifying new non-executives as vacancies arise.

Board Members' remuneration, attendance and Partner Board/Committee Memberships in 2020/21 were:

Non-Executive	*Remuneration*	*Group Board Attendance*	*Partner Board/Committee Memberships*	*PARTNER BOARD/ COMMITTEE KEY*
M Allen Morales	£4,583	5 / 6		
K Bakshi	£5,000	7 / 7	QPC, WTC	AAC (Audit & Assurance)
G Bland	£6,000	7 / 7	AAC, BFC	AAP (Aquarius Board)
D Brindle	£667	0 / 1	QPC	BFC (Business & Finance)
H Edwards	£12,500	7 / 7	AAC, PeC	PeC (People)
A Fletcher	£5,000	6 / 7	QPC, AAP	QPC (Quality & Performance)
T Harper	£6,000	7 / 7	BFC, PeC	WTC (Working Together)
P Molyneux	£6,000	6 / 7	QPC	
R Perkins	£6,000	5 / 7	WTC	
A Powell	£7,333	7 / 7	AAC, BFC	
J Royle	£5,000	7 / 7	PeC, QPC	

The work of our Board Committees is enhanced by co-optee expert advisers who add a wider perspective and expertise on all committees (except for the Remuneration Committee). We thank all of them for the dedication to the work of the Group and the sharing of their own perspectives.

Matters reserved for the Group Board

The Group Board has delegated limited powers to its six committees: Audit and Assurance, Business and Finance, People, Quality and Performance, Working Together and Remuneration Committees. It reserves certain responsibilities and decisions for itself, specifically:

- Management structure, organisation and essential governance
- Objects, values and corporate strategy
- Annual budget setting
- Key controls as specified in the standing orders and scheme of delegations

Terms of reference for each Board committee are reviewed annually and approved by the Board itself. Each committee (except for Remuneration) aims to include an adviser with recent lived experience and has also appointed one or more independent members to bring a broader perspective to the work of each committee. Each independent member contributes significantly to the assurance framework, being experts in their field.

To support the work of both the Richmond Fellowship and Aquarius Boards, the Group has three key assurance groups which meet quarterly to support management of risk and add additional expertise and assurance in their areas of focus:

Health and Safety Group – pro-actively manages health and safety risk and compliance, monitoring risks relating to clients, workforce and premises. This Group includes an external expert advisor and reports

and makes recommendations via the Group Board's Quality and Performance Committee to both Boards. Non-executive board member, Albert Fletcher, attends in his capacity as Board Health and Safety Champion.

The Group uses the single central system for accident and incident reporting and to evidence issues occurring and responses sanctioned by management. In terms of high-level incidents, we had reduced recording of self-harm, attempts at suicide and medication errors. Significant anti-social behaviour related incidents however did increase year on year. Learning from all incidents is collected, reviewed and lessons shared

Service Governance Group – the remit of this Group is to oversee quality of service delivery across the Group, ensure consistently high standards and manage emerging delivery risks in the service. This Group also includes an external expert advisor (and the Group also reports and makes recommendations to the Group Board's Quality and Performance Committee which report in turn to both Boards). This group oversees the internal Quality Improvement Plan and oversees client risk, including the local management of clients' own funds, medication and well-being.

Information Governance Group – the remit of this Group is to ensure that all aspects of our approach to information governance comply with the expectations of the law, regulators, commissioners and the rights of individuals who access or deliver our services. The ever-increasing challenge of cyber risk and the increasing importance of technology and data in supporting the safe and effective delivery of our services makes the work of this Group an ever more important part of our governance.

Identification and evaluation of risks and control objectives

Board directors, working with the Group Leadership Team (currently comprising Group directors and the operations leads for both Richmond Fellowship and Aquarius) and the directors of the Aquarius Board have separately and collectively given substantial consideration to the major risks to which the Group is exposed. As part of this process, the Audit and Assurance Committee meets four times annually and gives a significant portion of their agenda to risk scrutiny and challenge. The internal and external audit teams are an important second line of assurance in fulfilling this remit.

Ownership for delivering the priorities and managing the associated risks rests with the GLT, but each Group Board committee has a portfolio of risks that it leads scrutiny on with non-executives introducing additional ideas and rigorously working through the challenges for the organisation.

As a shared responsibility, parent and subsidiary board directors and the GLT routinely satisfy themselves that appropriate systems, plans and procedures are in place to properly manage risk and assess progress against significant milestones in delivering key priorities.

Managing the business

Performance indicators are in place to provide information that allows management to monitor the key targeted outcomes that have been agreed as the best metrics for assessing sound progress of our strategic priorities. These indicators satisfy management that our services are delivering for our beneficiaries and matters which require intervention can be tackled. Our key data management systems provide much of the information to do this and we continue to make good progress in our long-term goal of moving towards a digital dashboard for more timely information that can be sense checked against other indicators to be able to inform and suggest actions to ensure that our priorities can be met.

In support of all the controls mechanisms in place, the provision of effective training and awareness information is essential to ensure that processes work and are applied safely and consistently. As part of a significant training and development offer, many modules are mandatory for all staff, and are refreshed regularly to ensure the Group's workforce is informed and prepared and can deliver quality services.

In the past year we have referred only one significant incident to our regulators, that being the case of a suspected fraud which is now in the hands of the police. Under the oversight of the Audit and Assurance Committee, management are ensuring that all learning is reviewed and controls are in place to minimise the opportunity of re-occurrence.

As further independent assurance, we have a number of external accreditations across the Group as a good cross-check on the effectiveness of our processes and controls, including Investors in People (Silver), Investors in Diversity and ISO 14001 (for Aquarius). As a further second line of assurance, our new Internal Audit Team delivered a significant programme in the year resulting in a range of actions that management are pursuing. The 2020/21 audits included Procurement, Risk Maturity, Data Governance, Income and Debt Management and Programme and Project Management Frameworks within the Group.

Internally we continued to publicise our Feedback Policy and raise awareness around the key policies that assist with controls assurance, such as Whistleblowing, Anti-Money Laundering, Anti-Fraud, Gifts/Hospitality and Conflicts of Interest. Our Quality Self-Assessment regime is now in place across the whole Group and is evolving very positively at local, area and partner-wide level. We will do further work in the year to re-structure and enhance routine internal reporting to ensure that processes are as clear and simple as possible (to assurance compliance and consistency) and to receive end user focused support services from central teams.

Our non-executive board members undertake service visits as part of their responsibilities to understand the services we are delivering, how these are delivered and the challenges faced by our frontline workforce. This is also an opportunity for them to speak to people we support directly. Due to the pandemic this programme was suspended, but when it was clear that the duration of pandemic working would be significant, “virtual visits” were begun. These started in the new calendar year and two or three have been held each month and are a valuable learning and checking experience for non-executives. At the end of the year, the Group Board has reviewed the controls and assurances in place across the Group and is satisfied that the Group is both compliant with legal and regulatory requirements and improving. This includes all the areas of work for which the Aquarius Board is ultimately responsible for delivery and over-sight.

We work closely with external partners and others to ensure we are aware of their perspective on our strategic direction and on-going performance. This includes working closely with commissioners to ensure they are happy with our provision and to see how services might be made more effective. We also work with local safeguarding teams, fire safety authorities, the Care Quality Commission and other independent expert advisors whose objective viewpoint is valued as a means to delivering our continuous improvement agenda.

STATEMENT OF THE RESPONSIBILITIES OF THE GROUP BOARD IN RESPECT OF THE ACCOUNTS

The Group Board directors are responsible for preparing the report of the Group Board, incorporating the strategic report and the accounts in accordance with applicable law, regulations and associated guidance and good practice.

Company and housing law requires the Group Board to prepare consolidated accounts for each financial year in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law) including FRS 102 “The Financial Reporting Standard applicable in the UK and the Republic of Ireland“. Under company and housing law, the Group Board members must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the surplus or deficit of the Group for that period.

In preparing these accounts, the Group Board directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

The Board directors are also responsible for keeping adequate accounting records that are sufficient to show and explain all transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and have due regard to Charity Commission guidance. They are also responsible for safeguarding the assets of the Group and by taking reasonable steps for the prevention and detection of fraud and other irregularities.

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE BOARD AND MEMBERS OF RICHMOND FELLOWSHIP

Opinion

We have audited the financial statements of Richmond Fellowship (the 'Parent Charitable Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021 which comprise the Group and Company Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cashflows and the Notes to the Accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2021 and of the Group's and Parent Charitable Company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 for the Group and the Company and the Charities Act 2011(for the Group); and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 Group and Parent 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.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Report and Accounts, other than the financial statements and our auditor's report thereon. The Board of Directors are responsible for the other information contained within the Report and Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the

Nexia Smith & Williamson

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the 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 Report of the Group Board has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Group Board.

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 and sufficient accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
  we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of the Responsibilities of the Group Board set out on page 21, the members of the Board (who are directors of the Parent 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 Board of Directors are responsible for assessing the Group's and the Parent 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 group or the parent 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

We have been appointed as auditor under the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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,

Nexia Smith & Williamson

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the Group and the Parent Charitable Company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of the Group and the Parent Charitable Company's industry and regulation.

We understand that the Group and the Parent Charitable Company complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A programme of internal audit performed by an independent firm of internal auditors;
- A risk assessment framework and register that includes regular review and scrutiny by the Board of Directors;
- Regular safeguarding and health and safety reviews;
- An annual assessment of compliance with housing association regulations; and
- The Board of Director's close oversight through regular Board meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Group and the Parent Charitable Company's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the Group and the Parent Charitable Company:

- FRS 102 and the requirements of the Companies Act 2006, in respect of the preparation and presentation of the financial statements;
- Safeguarding, including health and safety and Care Quality Commission regulations; and
- Charity law and regulation.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Making enquiries of management and the Audit and Assurance Committee as to the risks of non-compliance and any instances thereof;
- Reviewing internal audit reports and correspondence between regulators and the Group and the Parent Charitable Company; and
- Reading minutes of meetings of those charged with governance.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Group and the Parent Charitable Company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries and incorrect recognition of revenue.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the Group and the Parent Charitable Company's processes and controls surrounding manual journal entries;
- Reviewing and challenging estimates made by management; and
- Substantive work on revenue transactions.

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

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Parent Charitable Company's Trustees as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Parent Charitable Company's members and Board 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 Parent Charitable Company, and the Parent Charitable Company's Board members as a body, for our audit work, for this report, or for the opinions we have formed.

Jacqueline Oakes
Senior Statutory Auditor, for and on behalf of

Nexia Smith & Williamson

Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

29/09/2021

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2021

	Notes	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Turnover	**3**	45,267	39,721	46,262	40,976
Recurring		(44,910)	(39,681)	(46,524)	(41,004)
Non-recurring	**6**	-	-	(565)	(565)
Operating expenditure		(44,910)	(39,681)	(47,089)	(41,569)
Surplus on disposals of fixed assets	**12**	433	433		
Other operating income / (costs)		295	187	-	-
Operating surplus / (deficit)	**3**	1,085	660	(827)	(593)
Interest receivable	**10**	156	155	211	201
Interest & financing costs	**11**	-	-	(1)	(1)
Movement in the value of investments		630	630	(289)	(289)
Surplus / (deficit) for the financial year	**12**	**1,871**	**1,445**	**(906)**	**(682)**
OTHER COMPREHENSIVE INCOME					
Actuarial gain/(loss) in respect of pension scheme	**9**	109	109	(291)	(291)
Total comprehensive income for the year		**1,980**	**1,554**	**(1,197)**	**(973)**

The Income and Expenditure Account was approved and authorised for issue by the Group Board on 3 August 2021.

H. Edwards
Helen Edwards (Sep 28, 2021 16:54 GMT+1)

A. Powell
Alan Powell (Sep 28, 2021 18:10 GMT+1)

Helen Edwards
Director

Alan Powell
Director

STATEMENT OF FINANCIAL POSITION as at 31 March 2021
COMPANY NUMBER 662712

	Note	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Fixed Assets					
Property, plant & equipment					
- Housing & other properties used for social provision	**13**	24,421	22,660	24,837	23,076
- Other property, plant and equipment	**14**	5,345	4,489	4,937	4,023
Intangible assets	**15**	-	-	-	-
Post employment benefits	**9**	538	538	448	448
		30,304	27,687	30,222	27,547
Current assets					
Inventories	**16**	129	128	116	113
Debtors due within one Year	**17**	6,457	5,833	6,746	5,924
Investments	**18**	3,798	3,798	3,168	3,168
Cash at bank and in hand		13,946	10,557	11,184	8,608
		24,330	20,316	21,214	17,813
Creditors: amounts falling due within one year	**19**	(6,283)	(5,675)	(4,609)	(4,130)
Net current assets		**18,047**	**14,641**	**16,605**	**13,683**
Total assets less current liabilities		**48,351**	**42,328**	**46,827**	**41,230**
Creditors: amounts falling due over one year	**20**	(7,830)	(7,830)	(8,286)	(8,286)
Total assets less liabilities		**40,521**	**34,498**	**38,541**	**32,944**
Funds					
Restricted funds	**24**	7,931	3,806	7,789	4,090
Unrestricted funds					
- Unrestricted general funds	**26**	31,087	29,371	29,771	28,055
- Designated funds	**25**	184	-	382	198
- Revaluation reserve	**26**	781	783	151	153
- Pension reserve	**26**	538	538	448	448
		40,521	**34,498**	**38,541**	**32,944**

The accounts were approved and authorised for issue by the Group Board on 3 August 2021.

H. Edwards
Helen Edwards (Sep 28, 2021 16:54 GMT+1)

Helen Edwards
Director

A. Powell
Alan Powell (Sep 28, 2021 18:10 GMT+1)

Alan Powell
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2021

		Unrestricted				
	Restricted Funds	General Funds	Designated Funds	Revaluation Reserve	Pension Reserve	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2019	**7,758**	**30,495**	**292**	**441**	**752**	**39,738**
Surplus for the year	-	(906)	-	-	-	(906)
Other comprehensive income	-	-	-	-	(291)	(291)
Total comprehensive income	-	(906)	-	-	(291)	(1,197)
Transfers (note 23)	31	182	90	(290)	(13)	-
Balance at 31 March 2020	**7,789**	**29,771**	**382**	**151**	**448**	**38,541**
Surplus for the year	-	1,871	-	-	-	1,871
Other comprehensive income	-	-	-	-	109	109
Total comprehensive income	-	1,871	-	-	109	1,980
Transfers (note 23)	142	(555)	(198)	630	(19)	-
Balance at 31 March 2021	**7,931**	**31,087**	**184**	**781**	**538**	**40,521**

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2021

		Unrestricted				
	Restricted Funds	General Funds	Designated Funds	Revaluation Reserve	Pension Reserve	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2019	**3,837**	**28,778**	**107**	**443**	**752**	**33,917**
Surplus for the year	-	(682)	-	-	-	(682)
Other comprehensive income	-	-	-	-	(291)	(291)
Total comprehensive income	-	(682)	-	-	(291)	(973)
Transfers (note 23)	253	(41)	91	(290)	(13)	-
Balance at 31 March 2020	**4,090**	**28,055**	**198**	**153**	**448**	**32,944**
Surplus for the year	-	1,445	-	-	-	1,445
Other comprehensive income	-	-	-	-	109	109
Total comprehensive income	-	1,445	-	-	109	1,554
Transfers (note 23)	(284)	(129)	(198)	630	(19)	-
Balance at 31 March 2021	**3,806**	**29,371**	**-**	**783**	**538**	**34,498**

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2021

	Note	2021 £000	2020 £000
Net cash generated from operating activities	**32**	**3,428**	**2,987**
Cash flow from investing activities			
Acquisition & development of properties used for service provision		(766)	(913)
Sale of housing properties	**12**	1,190	-
Purchase of other property, plant & equipment		(1,248)	(397)
Sale of other property plant & equipment		12	-
Investment income received		141	145
Interest received		5	48
Net cash used in investing activities		(666)	(1,117)
Cash flow from financing activities			
Interest paid		-	(2)
Net cash used in financing activities		-	(2)
Net decrease in cash and cash equivalents		2,762	1,868
Cash & cash equivalents at the beginning of the year		11,184	9,316
Cash & cash equivalents at the end of the year		**13,946**	**11,184**
Cash & cash equivalents at the end of the year comprise:			
Cash at bank & in hand		13,946	11,184
		13,946	**11,184**

NOTES TO THE ACCOUNTS for the year ended 31 March 2021

1. Legal status

Richmond Fellowship ("the company") is a private company limited by guarantee (number 662712) and is incorporated in England; the registered office address is 80 Holloway Road, London, N7 8JG. The company is a registered charity (number 200453) and is also registered as a private provider of social housing with the Regulator of Social Housing (number H2025).

Aquarius Action Projects ("Aquarius"), is a wholly owned subsidiary of Richmond Fellowship. It is incorporated as a private company limited by guarantee under the Companies Act 2006 in England, number 02427100. It is also a registered charity, number 1014305. Its registered office is 236 Bristol Road, Birmingham, B5 7SL.

The group of companies is collectively known as Recovery Focus as referred to as the "Group"

Details of the principal activities of the Group are given in the accompanying narrative reporting.

2. Accounting policies

Basis of preparation
The financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Housing SORP 2018 "Statement of Recommended Practice for Registered Social Housing Providers" and comply with The Accounting Direction for Private Registered Providers of Social Housing April 2019.

The financial statements are also prepared in accordance with the Companies Act 2006 and the Housing and Regeneration Act 2008. The consolidated financial statements are additionally prepared in accordance with the Charities Act 2011.

The company is a public benefit entity and the Group is a public benefit group, as defined by FRS 102. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets in accordance with the groups accounting policies.

Disclosure exemptions
The company is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the exemption from presenting a statement of company cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements.

Basis of consolidation
The Group consolidated financial statements include the financial statements of the company and its subsidiary undertaking.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In the case of subsidiaries which are charitable companies limited by guarantee, that control exists by virtue of the company being the sole member of each of the subsidiaries thereby being able to appoint the trustees of those entities.

Where a subsidiary has different accounting policies to the Group, adjustments are made to that subsidiary's financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

Any entities which either become, or cease being, subsidiary undertakings during the year are included up to, or from, the dates of change of control, respectively.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations
The acquisition method, as applied to public benefit groups, is used to account for a combination with a new charitable subsidiary.

The acquisition method requires that the new subsidiary's assets and liabilities be initially recognised at their fair value. Where the nature of the combination is in substance a gift, the fair value of the gifted assets and liabilities is recognised as a gain or loss in the statement of comprehensive income in the year of the transaction, with all costs directly relating to the combination being expensed. For combinations which are in the nature of acquisitions, the excess of the fair value and directly attributable costs of the purchase consideration over the fair values of net assets and liabilities acquired is recognised as goodwill.

On transition to FRS 102 the Group and Company took the exemption available to not restate acquisitions affected before the transition date of 1 April 2014.

Going concern

The financial statements have been prepared on the going concern basis which the directors consider to be appropriate for the following reasons.

An assessment of the potential financial impact of COVID-19 was undertaken at the beginning of the year and we carried out scenario testing looking at income reduction from our Social Enterprises, and potential changes in operating costs affecting spends on PPE's and hygiene cleaning. Other scenario testing included subjective judgments including increased rent arrears, delayed rent collection and increased voids. In making these assessments, we also considered the potential mitigations available to manage the potential impact on cashflow affecting the financial viability of the business. A 2020/21 budget addendum was presented to the Board for approval which included these scenarios and mitigations. The assessment demonstrated the financial impact could be managed within the approved budget and gave assurance we had sufficient liquidity to manage the financial risks. In addition, the Board:

- introduced forecasting as part of the monthly reporting cycle
- introduced a twelve-month rolling cash flows forecast, which was regularly reviewed by Group Leadership Team and the Board.
- applied a 'golden rule' where cash reserves must remain within a minimum uncommitted cash reserves of £6 million, being £5million for the company and £1 million for Aquarius.

The Group has no loan commitments or operates within restrictive financial covenants,

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

On this basis, the Board has reasonable expectations that the Group and company have adequate resources to continue the operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Key sources of estimation uncertainty and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements, estimates and assumptions have had the most significant effect in amounts recognised in the financial statements:

(a) Critical judgements

In preparing the financial statements, the following judgements which have, or could have, a material impact on the financial statements were made:

Identification of housing property components

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Housing property impairments

Value in use is based on either future cash flows or, for assets held for their service potential, depreciated replacement cost. The assessment of whether an asset is held for its service potential is a matter of judgement and in making that judgement the Board considers the current use of the asset and the expected future use of the asset. If the asset is unable to be let in its current condition or is not being used for a social purpose, either now or in the foreseeable future, it is assessed as not being held for its service potential. Value in use for assets held for their service potential is assessed as the depreciated replacement cost which is the lower of (a) the cost of purchasing an equivalent property on the open market; and (b) the land cost plus the rebuilding cost of the structure and components. The Group has no history of acquiring or selling properties from or to other registered providers and the Board considers that there is no active market..

Properties let to other service providers

Properties let to other service providers are classed as property, plant and equipment rather than as investment properties, as the properties are retained primarily to ensure the continued provision of services to beneficiaries, rather than for capital gain or income generation.

Cap on net pension scheme asset
The net defined pension scheme asset is recognised only to the extent of the net present value of the estimated future Group contributions to the scheme, as it is deemed to be unlikely that the scheme trustees would make refunds to the Group.

(b) Key accounting estimates and assumptions

Estimation of revenue
Income from the provision of services is recognised as the services are provided. In most cases, the services are provided in accordance with the funding agreement, but in a minority of cases, the funder may contend that the services haven't been fully provided and retrospectively demand that a proportion of the invoiced income be refunded. Estimates are therefore necessary as to the extent to which invoiced income may be repayable.

Defined benefit pension scheme
The cost of defined benefit pension scheme plans are determined using actuarial valuations. The actuarial involves making assumptions about discount valuation rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and long-term nature of these plans, such estimates are subject to considerable uncertainty and the Group relies on the expert input of actuaries. Further details of the assumptions made are provided in Note 9.

Useful lives
Depreciation of assets is calculated based on the cost and the estimated useful lives of the assets. The expected useful lives for housing property components is estimated based on the expected replacement frequency used for asset management purposes.

Impairments of housing and other properties held social purposes
The cost of purchasing an equivalent property on the open market is estimated based on the sales prices for similar properties in or near the same location.

The rebuilding cost of structures and components is based on the current build costs obtained from market data (being primarily construction indices) applied to the relevant building size and type.

Rent arrears and other debtors
Provision is made for rent arrears where there is objective evidence concerning recoverability. This is an estimate based on past experience, the current level and age profile of the arrears / debtors, and the specific circumstances relating to a particular rent arrear or debt.

The carrying amount of the assets and liabilities affected by the above estimates are set out in the notes below.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents rental income receivable; fees from local authorities and other funders for the provision of services; grant income from the Government and other bodies; income from fundraising activities and amounts receivable for goods sold. All such amounts are stated excluding VAT where this has been applied.

Income is recognised as follows:

- *Rental Income* – on a time apportioned basis
- *Service Income* – as the services are provided
- *Donations* – when the Group has entitlement, the donation can be measured reliably, and receipt is probable
- *Revenue (performance) grants* – in the same period as the expenditure to which they relate
- *Government capital grants* - recognised using the accruals model and initially deferred and then credited to revenue on a straight-line basis over the expected life of the asset which they have funded
- *Other capital grants* – recognised using the performance model, with recognition being when the Group has entitlement, the grant can be measured reliably, and receipt is probable

Donated assets and services which would otherwise have been purchased are included at the estimated expenditure which has been avoided as a result of the gift. Other donated assets and services are recognised at the fair value of the asset or service received.

Donations received for funding capital assets are recognised as revenue in the statement of comprehensive income when the recognition criteria above are met. If the related properties are disposed of, or cease to be used for the approved purpose, the donations may become repayable in which case the liability is recognised when the related asset is disposed of or when it ceases to be used for the approved purpose.

Impairment of trade debtors
Trade debtors include the total rent and service charge arrears which is comprised of both current and former tenant arrears. Former tenant arrears are fully provided for in the financial statements at the point the tenant leaves the property. Current tenant arrears are provided for at specific rates according to the age of the debt.

Employee benefits
The Group provides a range of benefits to employees, including paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits
Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan
The Group operates a defined contribution plan, whereby the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the statement of financial position.

The assets of the plan are held separately from the Group in independently administered funds.

State plan
The Group is an admitted body to the NHS Pension Scheme, a multi-employer defined benefit pension scheme. The Group has no on-going liability to this scheme other than to pay contributions as they fall due and this plan is accounted for as a defined contribution plan.

Defined benefit pension plan
The Group operates a defined benefit plan for certain employees. 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.

The asset recognised in the statement of financial position in respect of the defined benefit plan is the lower of the fair value of the plan assets at the reporting date less the present value of the defined benefit obligation at the reporting date and the net present value of the estimated future Group contributions to the scheme.

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 (‘discount rate’).

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group’s policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as ‘Re-measurement of net defined benefit liability’.

The cost of the defined benefit plan, recognised in operating expenditure in the statement of comprehensive income as employee costs comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the statement of comprehensive income as ‘Finance expense’.

Holiday pay accrual
A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Trade and other debtors and creditors, including rent arrears and rent paid in advance, are classified as basic financial instruments and measured at initial recognition at transaction price. Such debtors and creditors are subsequently measured at amortised cost using the effective interest rate method, save that amounts expected to be settled within 12 months are not discounted. An impairment provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents and long-term bank deposits are classified as basic financial instruments and are initially recognised at their transaction price and subsequently at fair value.

Interest bearing bank and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the counter-party, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Financial assets are derecognised when either the contractual rights to the cash flows from the asset are settled or expire, or when substantially all the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities are derecognised when the liability is extinguished, that is when contractual obligation is discharged, cancelled or expires.

Managed properties

Income and expenditure relating to housing properties managed by the Group are recognised in the statement of comprehensive income where the Group is exposed to a significant proportion of the risks and rewards associated with the properties.

Housing and other properties used for social purposes

Housing and other properties used for social purposes are properties which are held to provide residential accommodation, nursing homes or day care centres. These properties are stated at cost less accumulated depreciation and any recognised impairment loss. The cost of the properties is the purchase price together with those costs that are directly attributable to acquisition and construction up to the date of completion.

Properties in the course of construction are not depreciated.

Depreciation is charged on major components so as to write down the cost of the components to their estimated residual value on a straight-line basis over their estimated useful lives as follows:

Freehold Land	indefinite	Structure	100 years
Pitched Roof	60 years	Flat Roof	20 years
Windows	40 years	Boilers	15 years
Bathrooms	20 years	Kitchens	15 years
Wiring	30 years	Fire Systems	10 years

Subsequent expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in incremental future benefits is capitalised and the carrying amount of any replaced component or part component is derecognised. Any other expenditure incurred in respect of repairs is charged to operating expenses in the statement of comprehensive income.

Other tangible fixed assets

Other fixed assets are stated at cost less depreciation. Depreciation is charged on a straight line basis over the expected economic lives of the assets at the following annual rates:

Office premises	1%
Motor vehicles	25%
Plant & machinery	25%
Furniture	25%
Computer, IT & other office equipment	33.3%
Computer software	10%

Intangible fixed assets

Intangible assets solely arise on entity combinations and comprise goodwill arising on acquisitions of incoming subsidiaries. The goodwill was fully impaired in prior periods.

Inventories

Inventories are stated at cost less provision for impairment losses.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indicator that the asset (or asset's cash generating unit) may be impaired. If there is such an indicator the recoverable amount of the asset (or asset's cash generating unit; CGU) is compared to the carrying amount of the asset (or asset's cash generating unit).

Assets not used for social purposes

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use (VIU) is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the operating expenses, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Assets used for social purposes, including housing and other properties

For the purposes of impairment assessments, housing and other properties used for social purposes are assessed on a property by property basis.

At each statement of financial position date, the properties are assessed to determine if there are indicators that the property may be impaired in value; if there are such indicators of impairment, then a comparison of the property's carrying value to its recoverable amount is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as operating expenses in the statement of comprehensive income; the carrying value is reduced appropriately. The recoverable amount of a property is the higher of its fair value less costs to sell and its value in use. Value in use for properties which are able to be used in their current condition and which are fulfilling the social purpose for which they were acquired is based on the depreciated replacement cost of the asset. For other schemes, value in use is defined as the net present value of the future cash flows before interest generated from the scheme.

When an impairment loss is subsequently reversed, the carrying amount of the property is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in operating expenses in the statement of comprehensive income.

Government grants (social housing grants- SHG)

Government grants are recognised when there is reasonable assurance that the Group will receive the grant and be able to comply with the terms of the grant. Grants are classified as either relating to assets or as relating to revenue.

Grants relating to assets are accounted for using the accrual model and are recognised as revenue in the statement of comprehensive income over the period of the estimated life of the relevant asset to which it relates as follows:

- Grants relating to whole properties – over the useful life of the structure
- Grants relating to components – over the useful life of the relevant components

Grants relating to assets are derecognised when the asset to which they relate is derecognised.

Grants which relate to revenue are accounted for using the performance model and are recognised in the statement of comprehensive income as the associated costs to which the grant relates are recognised.

Any grants which are received but are not recognised are disclosed as liabilities.

Grant relating to a property which is sold is derecognised and disclosed as a liability where repayment or recycling is required. Where SHG is recycled, it is credited to a fund which appears as a creditor until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year

Current asset investments
Investments are stated at fair value and any changes in the fair value are recognised in the statement of comprehensive income.

Operating leases
Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to operating expenses in the statement of comprehensive income on a straight-line basis over the life of the lease.

Incentives received to enter into an operating lease are credited to operating expenses, to reduce the lease expense, on a straight-line basis over the period of the lease.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and bank deposits and other highly liquid investments which have a maturity of three months or less.

In certain cases, the Group and its employees assist individuals to manage their money in their bank accounts. These bank accounts do not relate to the Group and are therefore not dealt with in these financial statements.

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

Value Added Tax
The Group is registered for VAT and the balances shown in these accounts exclude VAT where applicable. Irrecoverable input VAT is expensed as incurred and is analysed in line with the underlying expense to which it relates.

Taxation
All entities within the Group are registered charities and are able to obtain relief from corporation tax, provided that they operate within certain charitable exemptions, including applying all income to charitable purposes. Since these conditions have been fulfilled, these entities do not recognise provisions for taxation.

Provision is made for direct and deferred tax in respect of non-charitable subsidiaries; currently, the activities of non-charitable subsidiaries are immaterial to the Group.

3. Particulars of turnover, operating expenditure and operating surplus / (deficit)

Group	2021			2020		
	Turnover	Operating expenditure	Operating Surplus (Deficit)	Turnover	Operating expenditure	Operating Surplus (Deficit)
	£000	£000	£000	£000	£000	£000
Social housing activities						
Social housing lettings *(note 4)*	8,713	7,138	1,575	8,577	6,560	2,017
Other social housing activities						
Supporting people contract income	15,371	16,141	(770)	16,564	17,648	(1,084)
	24,084	**23,279**	**805**	**25,141**	**24,208**	**933**
Activities other than social housing activities						
Registered nursing home lettings	924	1,590	(666)	834	1,271	(437)
Crisis Houses	1,610	1,702	(92)	1,531	1,685	(154)
Community based projects	18,222	17,476	746	18,369	18,996	(627)
Leased to third party providers	237	7	230	127	27	100
Other	190	856	(666)	260	337	(77)
Non-recurring items *(note 6)*	-	-	-	-	565	(565)
	21,183	**21,631**	**(448)**	**21,121**	**22,881**	**(1,760)**
TOTAL	**45,267**	**44,910**	**357**	**46,262**	**47,089**	**(827)**
Surplus on disposals of fixed assets			**433**			-
COVID-19 Job Retention Scheme Income			**295**			-
Operating surplus / (deficit)			**1,085**			**(827)**

3. Particulars of turnover, operating expenditure and operating surplus / (deficit) (continued)

Company	2021			2020		
	Turnover	Operating expenditure	Operating Surplus (Deficit)	Turnover	Operating expenditure	Operating Surplus (Deficit)
	£000	£000	£000	£000	£000	£000
Social housing activities						
Social housing lettings *(note 4)*	8,713	7,138	1,575	8,577	6,560	2,017
Other social housing activities						
Supporting people contract income	15,371	16,141	(770)	16,564	17,648	(1,084)
	24,084	**23,279**	**805**	**25,141**	**24,208**	**933**
Non-social housing activities						
Registered nursing home lettings	924	1,590	(666)	834	1,272	(438)
Crisis Houses	1,610	1,702	(92)	1,531	1,687	(156)
Community based projects	12,675	12,297	378	13,090	13,487	(396)
Leased to third party providers	237	7	230	127	27	100
Other	191	806	(615)	252	323	(71)
Non-recurring items *(note 6)*	-	-	-	-	565	(565)
	15,637	**16,402**	**(765)**	**15,834**	**17,360**	**(1,526)**
TOTAL	**39,721**	**39,681**	**40**	**40,976**	**41,569**	**(593)**
Surplus on disposals of fixed assets			**433**			-
COVID-19 Job Retention Scheme Income			**187**			-
Operating surplus / (deficit)			**660**			**(593)**

4. Particulars of income and expenditure from social housing lettings

GROUP AND COMPANY

	2021	2020
Supported housing	**Total**	**Total**
	£000	**£000**
Rent receivable net of service charges	4,322	4,275
Service charge income	4,293	4,211
Net rental income	**8,615**	**8,486**
Government grants taken to income		
Amortised government grants	98	91
Turnover from social housing lettings	**8,713**	**8,577**
Operating expenditure		
Housing management	1,110	1,147
Service charge cost	2,278	2,355
Routine maintenance	91	96
Planned maintenance	68	43
Major repairs expenditure	724	220
Bad debts	342	102
Property lease charges	2,088	2,070
Depreciation of housing properties and associated fixtures, fittings and equipment	437	527
Operating expenditure on social housing lettings	**7,138**	**6,560**
Surplus on social housing lettings (as per note 3)	**1,575**	**2,017**
Void losses (deducted from rent above)	**900**	**1,079**

In 2020/21 we operated a registered Nursing Home and a number of residential crisis services, none of which is considered to be social housing (and not provided with the support of social housing grant) and as such are excluded from all of the data contained within this note.

The Nursing Home ceased to operate towards the end of the year. Income and expenditure reflects all social housing provided by Richmond Fellowship, irrespective of the intensity of support given as part of the service provision.

5. Leases

The Group lets certain of their housing properties to social housing tenants and to other social landlords.

Social housing tenancies
The social housing tenancy agreements are governed by housing law and rents levels are governed by the Government through powers derived from the Housing and Regeneration Act 2008. Housing law sets out various safeguards for tenants, the effect of which is to make gaining possession of the properties in the event of a default by tenant an onerous process requiring Court action by the Group. In addition, where a tenant is in default through the failure to pay rent due, the Court, rather than terminating the tenancy, will usually order that the tenant clears the arrears over a number of years by making small weekly payments.

The tenants have no statutory rights or rights under the tenancy agreements to purchase the properties.

Properties let to other social housing landlords
RF has a number of properties which are let under non-cancellable operating leases to other social landlords for the provision of social housing. RF will receive the following future rents from such properties:

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Rents due within one year	121	121	105	105
Rents due between one and five years	81	81	112	112
Rents due after five years	-	-	-	-
Total	**202**	**202**	**217**	**217**

6. Non-recurring items

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Old Moat Garden Centre impairment charge	-	-	565	565
Total	-	-	**565**	**565**

7. Key management emoluments

The emoluments of the directors / key management were as follows:

The emoluments of the directors / key management were as follows:	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Emoluments (including pension contributions and benefits in kind)				
Executive staff	611	553	649	524
Non-executive directors	64	64	61	61
	675	**617**	**710**	**585**
Employers national insurance	72	65	72	61
	747	**682**	**782**	**646**
Emoluments paid to the highest paid Director (excluding pension contribution, including benefits in kind)	**124**	**124**	**123**	**123**
Pension contributions for the highest paid director	**8**	**8**	**8**	**8**

The Group Chief Executive is an ordinary member of the Group's defined contribution pension scheme. No special terms apply.

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Directors' emoluments, as defined by the Companies Act 2006	**529**	**529**	**498**	**498**

Five (2020 – four) executive directors were members of the defined contribution pension scheme.

8. Employee information

Average number of employees employed during the year:

Full time equivalents	2021 Group No.	2021 Company No.	2020 Group No.	2020 Company No.
Office Staff	115	106	117	108
Service Staff	977	838	1,048	903
Total staff	**1,092**	**944**	**1,165**	**1,011**

The full-time equivalent number of staff has been derived by reference to estimated hours worked.

Actual employees	2021 Group No.	2021 Company No.	2020 Group No.	2020 Company No.
Office Staff	119	109	120	110
Service Staff	1,263	1,108	1,331	1,167
Total staff	**1,382**	**1,217**	**1,451**	**1,277**

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Wages and salaries	26,788	23,119	26,329	22,800
Redundancy costs	116	116	116	75
Social security costs	2,165	1,868	2,182	1,888
Other pension costs	1,156	953	1,143	935
Total	**30,225**	**26,056**	**29,770**	**25,698**

During the year 21 people (2020 – 54) were made redundant. Wages and salaries include £34k for payment in lieu of notice (2020 - £71k) for a further 15 employees and no ex-gratia payments (2020 - £7k / 4 employees). Non-contractual payments are made on an exceptional basis only and are individually approved by the Group Leadership Team.

The full-time equivalent number of staff receiving remuneration (including pension scheme contributions) in the following bands is as follows:

Staff Remuneration Bandings	2021 Group No.	2021 Company No.	2020 Group No.	2020 Company No.
£130,001 to £140,000	1	1	1	1
£110,001 to £120,000	-	-	1	-
£100,001 to £110,000	-	-	1	1
£90,001 to £100,000	2	2	-	-
£80,001 to £90,000	-	-	-	-
£70,001 to £80,000	3	3	3	3
£60,001 to £70,000	-	-	1	1
Total staff	**6**	**6**	**7**	**6**

Pension costs are analysed as follows:

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Defined contribution schemes, including contributions to state schemes accounted for as defined contribution pension schemes	1,093	890	1,070	862
Defined benefit schemes – current service costs	63	63	73	73
	1,156	**953**	**1,143**	**935**

9. Post-employment benefits

NHS Pension Scheme

The Group is an admitted body to the NHS Pension Scheme. The Group's contribution in 2021 was £41k (2020: £58k) and the total number of employees participating in the scheme at the end of the year was 12 (2020: 13). The Group has no on-going employer's liability in respect of this scheme other than to fulfil annual contribution obligations for members whilst they are employed by the Group. This scheme is accounted for as a defined contribution scheme as the scheme actuary is unable to provide any details of the notional assets and liabilities attributable to the Group. More details regarding the scheme are available from the NHS Pensions website.

2Care Pension & Life Assurance Scheme

RF operates a defined benefit scheme, the 2Care Pension & Life Assurance Scheme. The assets of the fund are held in a separate trustee administered fund. Contributions to the scheme are assessed with the advice of a qualified actuary on the basis of valuations using the projected unit method. Future employer contributions to the scheme have been agreed as being 26.95% (2020 – 26.95%) of pensionable salaries plus life assurance costs. Future employee contributions have been agreed as 8.45% (2020 – 8.45%) of pensionable salaries. The fund is now closed to new entrants and as a closed scheme it is likely that the future contribution rates will increase.

A comprehensive actuarial valuation of the fund was carried out at 31 March 2019 by an independent actuary and updated at 31 March 2021 by a qualified actuary. Adjustments to the valuation at that date have been made based on the following assumptions:

	2021	2020
	% per annum	**% per annum**
Inflation	3.20	2.60
Salary increases	3.20	2.60
Rate of discount	2.20	2.30
Pension in payment increases - pre 97 accrual	3.20	2.60
Pension in payment increases - post 97 accrual	3.20	2.60
Revaluation rate for deferred pensioners – RPI	3.20	2.60
Revaluation rate for deferred pensioners – CPI	2.60	2.20
Expected return on assets	2.20	2.40
Mortality assumptions:	**Years**	**Years**
Longevity at age 65 for current pensioners		
Men	22.1	22.1
Women	23.8	23.8
Longevity at age 65 for future pensioners		
Men	23.4	23.4
Women	25.4	25.3

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Total
	£000	£000	£000
At April 2019	**9,006**	**(7,738)**	**1,268**
Benefits paid	(49)	49	-
Employer contributions	42	-	42
Employees Contributions	13	(13)	-
Current service cost	-	(73)	(73)
Interest income / (expense)	-	(186)	(186)
Actuarial losses:			
Return on plan assets excluding interest income	216	-	216
Actuarial gains / (losses)	(656)	578	(78)
At April 2020	**8,572**	**(7,383)**	**1,189**
Benefits paid	(100)	100	-
Employer contributions	34		34
Employees Contributions	11	(11)	-
Current service cost	-	(63)	(63)
Interest income / (expense)	-	(170)	(170)
Actuarial losses:	-	-	-
Return on plan assets excluding interest income	197	-	197
Actuarial gains / (losses)	1,335	(1,315)	20
At 31 March 2021	**10,049**	**(8,842)**	**1,207**
Unrecognised deficit			(669)
Net assets at 31 March 2021			**538**

The unrecognised deficit as at 31 March 2021 was £669k (2020: £741k).

Amounts recognised in income and expenditure are as follows:

	2021	2020
	£000	£000
Current service costs	63	73
Financial income	(10)	(18)
Total	**53**	**55**

Amounts recognised in other comprehensive income are as follows:

	2021	2020
	£000	£000
Return on plan assets excluding interest	1,335	(656)
Experience gains and losses arising on plan liabilities	83	(540)
Effects of changes in assumptions affecting plan liabilities	(1,398)	1,118
Effects of changes in the amounts of the surplus that is not recoverable	89	(213)
Total	**109**	**(291)**

Plan assets are invested as follows:

	2021	2020
	£000	£000
Equities	881	947
Diversified Growth Funds	6,709	5,288
Liability Driven Investment	2,459	2,309
Cash	-	28
Total	**10,049**	**8,572**

10. Interest receivable and financial income

	2021 Group	2021 Company	2020 Group	2020 Company
	£000	£000	£000	£000
Interest receivable on deposits	5	4	48	38
Listed investment income	141	141	145	145
Net return on post-employment benefits	10	10	18	18
Total	**156**	**155**	**211**	**201**

11. Interest and financing costs

	2021 Group	2021 Company	2020 Group	2020 Company
	£000	£000	£000	£000
Recycled capital grant fund interest	**0.2**	**0.2**	**1**	**1**

12. Surplus / (deficit) for the year

	2021 Group	2021 Company	2020 Group	2020 Company
	£000	£000	£000	£000
Depreciation and impairment of tangible owned fixed assets	1,200	1,126	1,695	1,693
Auditor's remuneration: (Excluding VAT)				
Audit of Group Annual Accounts	59	59	64	64
Audit of Group Subsidiary Accounts	15	-	15	-
Operating Leases				
Receivables from non-cancellable operating leases	121	121	169	169
Payments under non-cancellable operating leases	389	389	335	335
Rents payable under property licenses	2,291	2,158	2,228	2,228
Surplus / (deficit) on disposal of fixed assets				
Net proceeds from the sale of fixed assets	1,190	1,190	-	-
Less: net book value of assets sold	(757)	(757)	-	-
Less: capital grant recycled	-	-	-	-
Total surplus on disposal	**433**	**433**	**-**	**-**

13. Housing and other properties used for social purposes

GROUP	Social Housing Properties £000	Nursing Homes £000	Crisis Houses £000	Day / Garden Centres* £000	Total £000
Cost:					
At 1 April 2020	24,647	1,195	2,239	951	29,032
Additions: existing properties	95		554		649
Additions: components	117	-	-	-	117
Disposals: components	(876)	(35)	-	-	(911)
At 31 March 2021	**23,983**	**1,160**	**2,793**	**951**	**28,887**
Depreciation:					
At 1 April 2020	3,871	216	77	31	4,195
Charge for the year	324	11	26	10	371
Disposals: components	(100)	-	-	-	(100)
At 31 March 2021	**4,095**	**227**	**103**	**41**	**4,466**
Net Book Value					
At 31 March 2021	**19,888**	**933**	**2,690**	**910**	**24,421**
At 31 March 2020	**20,776**	**980**	**2,162**	**919**	**24,837**

*The opening balance for Day / Garden Centres from the prior year has been restated by £544k and there is no impact on surplus for the prior or current year or net assets brought forward

COMPANY	£000	£000	£000	£000	£000
Cost:					
At 1 April 2020	22,492	1,195	2,239	951	26,877
Additions: existing properties	95	-	554	-	649
Additions: components	117	-	-	-	117
Component write-offs	(876)	(35)	-	-	(911)
At 31 March 2021	**21,828**	**1,160**	**2,793**	**951**	**26,732**
Depreciation:					
At 1 April 2020	3,477	215	76	31	3,799
Charge for the year	324	11	27	10	372
Accelerated Depreciation	(100)	-	-	-	(100)
At 31 March 2021	**3,701**	**226**	**103**	**41**	**4,071**
Net Book Value					
At 31 March 2021	**18,127**	**934**	**2,690**	**910**	**22,661**
At 31 March 2020	**19,015**	**980**	**2,162**	**919**	**23,076**

Housing and other properties used for social purposes at cost comprise:	2021 Group	2021 Company	2020 Group	2020 Company
Net book value	**£000**	**£000**	**£000**	**£000**
Freehold	19,083	17,322	19,943	18,183
Long Leasehold	804	804	834	834
	19,887	**18,126**	**20,777**	**19,017**

14. Other tangible fixed assets

GROUP	Freehold Office Premises £000	Leasehold Office Premises £000	Motor Vehicles £000	Information Systems £000	Fixtures, Fittings & Equipment £000	Total £000
Cost						
At 1 April 2020	2,809	985	62	2,872	1,006	7,734
Additions in year	-	-	12	1,176	60	1,248
Disposals during the year	-	-	(2)	(12)	(36)	(50)
At 31 March 2021	**2,809**	**985**	**72**	**4,036**	**1,030**	**8,932**
Depreciation						
At 1 April 2020	471	360	60	1,070	836	2,797
Charge for the Year	21	6	3	686	112	828
Disposals during the year	-	-	(2)	(2)	(34)	(38)
At 31 March 2021	**492**	**366**	**61**	**1,754**	**914**	**3,587**
Net Book Value						
At 31 March 2021	**2,317**	**619**	**11**	**2,282**	**116**	**5,345**
At 31 March 2020	**2,338**	**625**	**2**	**1,802**	**170**	**4,937**

COMPANY	Freehold Office Premises £000	Leasehold Office Premises £000	Motor Vehicles £000	Information Systems £000	Fixtures, Fittings & Equipment £000	Total £000
Cost						
At 1 April 2020	2,219	492	56	2,540	843	6,150
Additions in year	-	-	12	1,161	59	1,232
Disposals during the year	-	-	(2)	(12)	(35)	(49)
At 31 March 2021	**2,219**	**492**	**66**	**3,689**	**867**	**7,333**
Depreciation						
At 1 April 2020	353	56	54	981	684	2,128
Charge for the year	18	5	3	622	106	754
Disposals	-	-	(2)	(2)	(34)	(38)
At 31 March 2021	**371**	**61**	**55**	**1,601**	**756**	**2,844**
Net Book Value						
At 31 March 2021	**1,848**	**431**	**11**	**2,088**	**111**	**4,489**
At 31 March 2020	**1,866**	**437**	**2**	**1,559**	**158**	**4,022**

15. Intangible fixed assets

Group and Company	Goodwill £000	Total £000
Cost		
At 1 April 2020 and 31 March 2021	526	526
Amortisation and impairment		
At 1 April 2020 and 31 March 2021	526	526
Net Book Value:		
At 31 March 2021 and 31 March 2020	**-**	**-**

16. Inventories

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Consumables	129	128	116	113

17. Trade and other receivables

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Trade debtors	5,689	5,122	5,628	4,900
Less: Provision for bad debts	(806)	(806)	(979)	(979)
	4,883	**4,316**	**4,649**	**3,921**
Prepayments & accrued income	1,562	1,493	2,083	1,972
Amounts due from subsidiary undertaking	-	13	-	20
Other Debtors	12	11	14	11
	6,457	**5,833**	**6,746**	**5,924**

18. Current asset investments

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Investments listed on recognised stock exchange	3,798	3,798	3,168	3,168
At 31 March 2020	**3,798**	**3,798**	**3,168**	**3,168**

Investments listed on a recognised stock exchange comprise Schroders' Charity Multi-asset fund and CCLA-COIF Charities Ethical Investment Fund (Income).

19. Creditors: Amounts falling due within one year

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Trade creditors	726	707	1,446	1,270
Other creditors	253	226	139	114
Accruals & deferred income	3,768	3,281	1,882	1,668
PAYE, taxes & social security costs	607	532	537	474
Social housing grants (Note 22)	97	97	102	102
Other government grants (Note 22)	18	18	18	18
Recycled Capital Grants Fund (RCGF) (Note 21)	814	814	485	485
	6,283	**5,675**	**4,609**	**4,130**

20. Creditors: Amounts falling due after more than one year

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Recycled Capital Grants Fund (Note 21)	-	-	356	356
Social housing grants (Note 22)	6,918	6,918	7,023	7,023
Other government grants (Note 22)	912	912	907	907
Total	**7,830**	**7,830**	**8,286**	**8,286**

21. Recycled capital grant fund – Group and Company

	2021 RSH £000	2020 RSH £000	2021 GLA £000	2020 GLA £000	2021 Total £000	2020 Total £000
Balance at 1 April 2020	470	470	371	371	841	841
Recycled on property disposal	-	-	-	-	-	-
Repayments	-	-	(27)	-	(27)	-
Interest	-	-	-	-	-	-
Balance at 31 March 2021	**470**	**470**	**344**	**371**	**814**	**841**
Amounts repayable within one year	470	457	344	27	814	485
Amounts due over 1 year	-	12	-	344	-	356
Total	**470**	**469**	**344**	**371**	**814**	**841**

The balance with the GLA is £344k and relates to a grant released by the sale of Trelawn in the London Borough of Croydon. This will be repayable at 31 March 2022 if an alternative investment has not been approved by the regulator.

The balances with Homes England relate to grants released by the sales of Irving Road in Bournemouth and Feversham Crescent in York. The former is now due for repayment, but we intend to apply to recycle this grant towards the purchase of a premises in the same geographical area. The £12k balance that relates to the York property is due for repayment at 31 March 2022.

22. Government grants

The government grants received to enable the Group to acquire properties for social purposes. Should the properties to which the grants relate cease to be used for social purposes the grants may be repayable in full. The total grants received by the Group in respect of owned property are as follows:

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Grants credited to Income & Expenditure	3,119	3,119	3,014	3,014
Deferred grants (Notes 19 & 20) – Social Housing Grants	7,045	7,045	7,143	7,143
Deferred grants (Notes 19 & 20) – Other Government Grants	912	912	907	907
Total	**11,076**	**11,076**	**11,064**	**11,064**

23. Transfers between reserves

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Movement in restricted funds				
Net (income) / expenditure of restricted funds for the year	823	397	31	253
Restricted reserves formerly held by CAN and Croftlands Trust	(488)	(488)	-	-
Re-gifted donation to Isle of Wight	(193)	(193)	-	-
Movement in restricted funds	**142**	**(284)**	**31**	**253**
Movement in designated funds				
Transfer to / (from) maintenance fund	(198)	(198)	90	91
	(198)	**(198)**	**90**	**91**
Movement in revaluation reserve				
Net revaluation (loss) / gain	**630**	**630**	**(290)**	**(290)**
Movement in pension scheme reserve				
Net movement in recognised pension scheme asset	**(19)**	**(19)**	**(13)**	**(13)**
Total transfer to / from general fund	**555**	**129**	**(182)**	**41**

24. Restricted reserves

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Mental illness services to be provided in Cumbria (formerly held by Croftlands Trust)	1,776	1,776	2,263	2,263
Alcohol, drugs and gambling Services				
- Held by Aquarius Action Projects	4,125	-	3,699	-
- Other (formerly held by CAN)	758	758	758	758
Sundry	16	16	16	16
BIG Lottery	29	29	29	29
Employment services	1,057	1,057	798	798
IOW Association for Mental Health	-	-	193	193
Other small items	170	170	33	33
	7,931	**3,806**	**7,789**	**4,090**

On 30 September 2015, the trustees of the Isle of Wight Association for Mental Health (company 7739722; charity 1145283) entered into a Deed of Gift for its entire assets, to RF. The gift was specifically intended to benefit people on the Isle of Wight to contribute towards the further development of mental health services locally. The value of the gift was £193,456.

In April 2019 we were informed that we had been unsuccessful in retaining our commissioned services on the Isle of Wight and service provision ceased on 1 September 2019. As we were no longer able to spend the funds in accordance with the restriction, an onward Deed of Gift was signed on 7 October 2020, replicating the obligations placed on us, in favour of the Isle of Wight NHS Charitable Fund (charity 1049606) who are well placed to deliver the improvement commitments in accordance with the restriction.

25. Designated reserves

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Maintenance	184	-	382	198

26. Other reserves

The general unrestricted fund represents the accumulated surpluses generated by the Group / Company since inception, to the extent that they are not represented by other reserves.

The revaluation reserve represents unrealised gains arising on revaluations of investments.

The pension reserve represents the recognised surplus on the assets of the Group's defined benefit pension scheme.

27. Other commitments

The Group holds housing accommodation, office premises and equipment on non-cancellable operating leases. The Group is expected to make the following future minimum lease payments under non cancellation operating leases:

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Within one year	428	385	454	412
Two to five years	213	212	363	321
More than five years	473	473	531	489
	1,114	**1,070**	**1,348**	**1,222**

In addition to the above commitments, the group also occupies various properties under licence. Although the licences can be cancelled with minimal notice by either party, it is expected that the majority of licences will continue. The expected payments under such licences for both the group and the company is estimated as being £2.16 million (2020 - £2.25 million).

28. Accommodation in management

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

	2021 Owned No.	2021 Managed No.	2020 Owned No.	2020 Managed No.
Social Housing				
Supported Housing	264	399	270	410
Residential Care Homes	79	26	80	26
Total Social Housing	**343**	**425**	**350**	**436**
Non Social Housing				
Nursing Homes	-	-	17	-
Total Units in Management	**343**	**425**	**367**	**436**

29. Financial instruments

As at the year end, the Group's financial instruments were as follows:

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Financial assets held at fair value	3,798	3,798	3,168	3,168

Included in profit and loss are the following amounts:

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Interest income on financial assets held at amortised cost	5	4	48	35
Interest expense on financial liabilities held at cost	-	-	1	1
Income from assets held at fair value through profit and loss	156	155	213	201
Change in value of assets held at fair value through profit and loss	630	630	(289)	(289)

30. Subsidiary undertaking

Richmond Fellowship has one subsidiary undertaking, Aquarius Action Projects ("Aquarius"), which is a registered charity (number 1014305) and a registered company (number 02427100) having its registered office at 236 Bristol Road, Birmingham, B5 7SL. Aquarius works with individuals, families, carers and professionals around issues of alcohol misuse, drug misuse, gambling and other behavioural problems.

31. Related party transactions

During the year the following transactions took place between Richmond Fellowship and its subsidiary companies:

Overhead recharges from the charity to:	**2021 £000**	**2020 £000**
To Aquarius Action Projects	296	296
From Aquarius Action Projects	(66)	(160)
Total	**230**	**136**

All transactions are charged at cost. Such costs are either direct or are apportioned based on estimated staff time. The total overheads subject to apportionment were £5,521k (2020: £5,786k).

32. Reconciliation of surplus / (deficit) for the year to net cash used in operating activities

	2021	2020
	£000	£000
Surplus / (deficit) for the year	1,871	(906)
Movement on fair value of investments	(630)	289
(Surplus) on disposal of fixed assets	(433)	-
Net Interest (received)	(156)	(210)
Operating surplus / (deficit)	**652**	**(827)**
Depreciation and impairment charges	1,252	1,716
Pension net service cost	29	44
Movement in debtors	289	2,742
Movement in creditors	1,219	(674)
Movement in inventories	(13)	(13)
Net cash inflow from operating activities	**3,428**	**2,987**