



**Annual Report and Financial Statements  
2023-2024**



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

#### Executive Directors

Derek Caren	Group Chief Executive ( <i>resigned Jan. 2024</i> )
June Riley	Interim Group Chief Executive ( <i>appointed Jan. 2024, resigned June 2024</i> )
June Riley	Group Director of Finance and IT ( <i>resigned June 2024</i> )
Robert Templeton	RF Director, Operations, Quality and Housing ( <i>resigned Feb 2024</i> )

Andrew Whitley	Company Secretary
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### SOLICITORS

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

### BANKERS

Lloyds Bank Plc  
4<sup>th</sup> 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](http://www.recoveryfocus.org.uk)  
[www.richmondfellowship.org.uk](http://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.



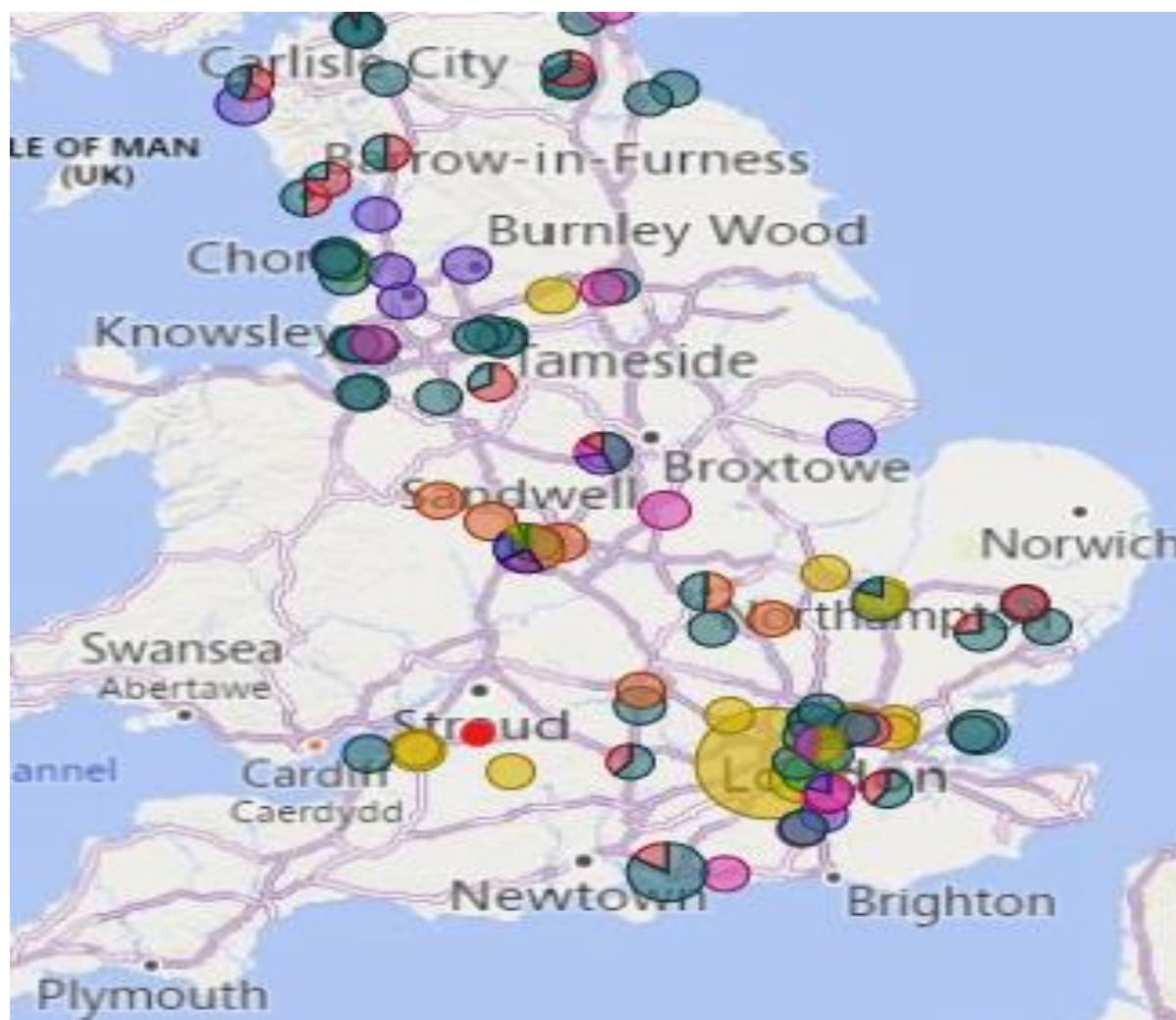
**Carolyn Regan**, Chair, Recovery Focus

## 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
<b>Quality Services:</b> We'll deliver and develop quality services everyone can be proud of.	<ul style="list-style-type: none"> <li>• People get the support they need when they need it.</li> <li>• People are safe.</li> <li>• People achieve their goals and move on in a planned way.</li> <li>• Everyone has a home, the opportunity to work and friends they can rely on.</li> <li>• People get the same support worker throughout the time they are supported, if that is what they choose.</li> <li>• Staff will be equipped with the skills, knowledge, and expertise to deliver quality services.</li> </ul>
<b>Working Together:</b> We'll put people at the heart of everything we do.	<ul style="list-style-type: none"> <li>• Working Together Strategic Plan, Charter Mark and Tenant's Charter in place to deliver key milestones.</li> <li>• Health inequalities in service delivery are addressed.</li> <li>• Communities of practice deliver measurable improvements in each operating sector.</li> <li>• Mechanisms in place to support people with lived experience to be recruited, retained and achieve progress.</li> <li>• Sustained positive feedback on the satisfaction of people we support.</li> </ul>
<b>Reach:</b> We'll strengthen our presence and partnerships in the places we operate.	<ul style="list-style-type: none"> <li>• More people will be reached in the places we operate.</li> <li>• The strategic partnerships we develop will add value and be effective.</li> <li>• Our operating models will meet local needs, demonstrating best practice.</li> <li>• Our services will be embedded within local health and social care systems.</li> <li>• We'll deliver long term solutions to local needs.</li> <li>• People will know who Recovery Focus is, what we do and what we stand for.</li> </ul>
<b>Sustainability:</b> We'll ensure the sustainability of the Recovery Focus Group.	<ul style="list-style-type: none"> <li>• Stabilised staffing and improved recruitment fill rates across the organisation.</li> <li>• An established system of fair, affordable pay forming part of a strategy to making working at RF a viable, respected, and sustainable career choice.</li> <li>• Refreshed management structures at affordable levels prompting a culture of people focused cooperation around a 'One Team Approach'.</li> <li>• Improved feedback from our Investors in People assessments.</li> </ul>
<b>Impact:</b> We'll ensure our services provide personal and social impact.	<ul style="list-style-type: none"> <li>• Our data capture mechanisms will be used consistently across services to clearly demonstrate the effectiveness of our interventions.</li> <li>• We'll report on the impact of each of our operating sectors.</li> <li>• Consistent positive feedback from commissioner surveys</li> <li>• We'll be demonstrably integral to provider and strategic networks.</li> <li>• We'll be known as market leaders in our sectors.</li> </ul>

## 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	<a href="#">2024</a>	<a href="#">2023</a>	<a href="#">2022</a>	<a href="#">2021</a>	<a href="#">2020</a>
<b><u>Statement of comprehensive income</u></b>					
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
<b>Total revenue</b>	<b>50,642</b>	<b>46,296</b>	<b>47,561</b>	<b>45,562</b>	<b>46,262</b>
Operating cost	(51,543)	(46,439)	(45,774)	(44,910)	(47,089)
<b>Core operating surplus / (deficit)</b>	<b>(901)</b>	<b>(143)</b>	<b>1,787</b>	<b>652</b>	<b>(827)</b>
Fair Value Movement on Investment Properties	587	-	-	-	-
Surplus on disposals	(64)	683	151	433	-
<b>Operating surplus / (deficit)</b>	<b>(378)</b>	<b>540</b>	<b>1,938</b>	<b>1,085</b>	<b>(827)</b>
Net interest & investment income/(loss)	1,240	258	352	786	(79)
Actuarial (Loss)/Gain on pensions obligations	(20)	(425)	(2)	109	(291)
<b>Surplus / (deficit) for the year</b>	<b>842</b>	<b>373</b>	<b>2,288</b>	<b>1,980</b>	<b>(1,197)</b>

<b><u>Group Cash &amp; Cash Equivalents</u></b>					
<b>Opening Cash balance</b>	19,166	17,167	13,946	11,184	9,316
<b>Net Cash from operating activities</b>	227	1,999	3,221	2,762	1,868
<b>Closing Cash balance</b>	<b>19,393</b>	<b>19,166</b>	<b>17,167</b>	<b>13,946</b>	<b>11,184</b>
<b><u>Statement of Financial Position</u></b>					
	<a href="#">2024</a>	<a href="#">2023</a>	<a href="#">2022</a>	<a href="#">2021</a>	<a href="#">2020</a>
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)
<b>Net assets</b>	<b>43,890</b>	<b>43,048</b>	<b>42,798</b>	<b>40,521</b>	<b>38,541</b>
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
<b>Total reserves</b>	<b>43,890</b>	<b>43,048</b>	<b>42,798</b>	<b>40,521</b>	<b>38,541</b>
<b><u>Financial Statistics</u></b>					
	<a href="#">2024</a>	<a href="#">2023</a>	<a href="#">2022</a>	<a href="#">2021</a>	<a href="#">2020</a>
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:

	<u>2023/24</u> <u>Number</u>	<u>2022/23</u> <u>Number</u>
<i>Social housing provision:</i>		
In supported housing	718	929
In registered care homes	132	141
<i>Non-social housing accommodation:</i>		
Crisis provision	1,862	1,574
<i>Non-accommodation services:</i>		
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
<b>TOTAL CLIENT ACTIVITY FOR THE YEAR</b>	<b><u>23,927</u></b>	<b><u>22,905</u></b>

We monitor a range of indicators which include:

<u>Activity indicators</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
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%
<u>Satisfaction indicators</u>			
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<sub>2</sub> emissions from natural gas usage. Our electricity emission is zero kg CO<sub>2</sub> and 100% certified renewable by EDF. These estimations were derived using the relevant kWh to CO<sub>2</sub> 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 Charity 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 (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:

Sector Scorecard	Benchmarking (based on 2023 Global Accounts)								2023 Ranking
	RF 2024	RF 2023	A	B	C	D	E	F	
<b>&gt; Business Health</b>									
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
<b>&gt; New Supply delivered</b>									
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
<b>&gt; Effective asset mgt</b>									
Return on Capital Employed - %	(2.1%)	(0.9%)	1.6%	2.0%	1.2%	(0.9%)	2.0%	(2.9%)	6th
<b>&gt;Outcome delivered</b>									
Reinvestment	6.3%	2.0%	8.7%	6.0%	6.5%	4.1%	2.3%	6.5%	7th
<b>&gt;Operating Efficiency</b>									
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:

<b><u>Non-Executive</u></b>	<b><u>Remuneration</u></b>	<b><u>Group Board Attendance</u></b>	<b><u>Partner Board/Committee Memberships</u></b>	<b><u>PARTNER BOARD/ COMMITTEE KEY</u></b>
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](http://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

		2024	2024	2023	2023
	Notes	Group £000	Company £000	Group £000	Company £000
<b>Turnover</b>	3	50,642	44,478	46,296	40,098
<b>Expenditure</b>					
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	-	-
<b>Operating (Deficit) / Surplus</b>		(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)
<b>Surplus / (deficit) before tax</b>		<b>862</b>	<b>255</b>	<b>798</b>	<b>(150)</b>
<b>Taxation on surplus</b>		-	-	-	-
Actuarial (loss)/gain in respect of pension scheme	8	(20)	(20)	(425)	(425)
<b>Total comprehensive income for the year</b>		<b>842</b>	<b>235</b>	<b>373</b>	<b>(575)</b>

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 of 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
<b>Fixed Assets</b>					
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
<b>Current assets</b>					
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
<b>Creditors: amounts falling due in one year</b>	19	(8,207)	(6,871)	(7,457)	(6,224)
<b>Net current assets</b>		<b>21,313</b>	<b>16,441</b>	<b>21,827</b>	<b>17,371</b>
<b>Total assets less current liabilities</b>		<b>50,828</b>	<b>42,807</b>	<b>50,886</b>	<b>43,472</b>
<b>Creditors: amounts falling due over one year</b>	20	(6,938)	(6,938)	(7,838)	(7,838)
<b>Total assets less liabilities</b>		<b>43,890</b>	<b>35,869</b>	<b>43,048</b>	<b>35,634</b>
<b>Funds</b>					
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

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

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

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

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2024

	Note	2024 £000	2023 £000
<b>Net cash Inflow from operating activities</b>	<b>32</b>	<b>37</b>	<b>1,066</b>
<b>Cashflow from investing activities</b>			
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
<b>Net cash generated by activities</b>		<b>190</b>	<b>933</b>
<b>Net increase in cash and cash equivalents</b>		<b>227</b>	<b>1,999</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>		<b>19,166</b>	<b>17,167</b>
<b>Cash &amp; cash equivalents at the end of the year</b>		<b>19,393</b>	<b>19,166</b>
<b>Cash &amp; cash equivalents at the end of the year comprise:</b>			
Cash at bank & in hand		19,393	19,166
		<b>19,393</b>	<b>19,166</b>

## 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
<b>Social housing activities</b>						
Social housing lettings ( <i>note 4</i> )	7,827	7,700	127	7,323	7,202	121
<b>Other social housing activities</b>						
Supporting people contract income	14,454	15,660	(1,206)	14,302	15,466	(1,164)
	<b>22,281</b>	<b>23,360</b>	<b>(1,079)</b>	<b>21,625</b>	<b>22,668</b>	<b>(1,043)</b>
<b>Activities other than social housing activities</b>						
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 ( <i>note 9</i> )	-	636	(636)	-	265	(265)
	<b>28,361</b>	<b>28,183</b>	<b>178</b>	<b>24,671</b>	<b>23,771</b>	<b>900</b>
<b>TOTAL</b>	<b>50,642</b>	<b>51,543</b>	<b>(901)</b>	<b>46,296</b>	<b>46,439</b>	<b>(143)</b>
Surplus / (deficit) on disposals of fixed assets			(64)			683
Fair Value: Movement on Investment Properties			587			-
<b>Operating surplus / (deficit)</b>			<b>(378)</b>			<b>540</b>

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
<b>Social housing activities</b>						
Social housing lettings ( <i>note 4</i> )	7,827	7,700	127	7,323	7,202	121
<b>Other social housing activities</b>						
Supporting people contract income	14,454	15,660	(1,206)	14,302	15,466	(1,164)
	<b>22,281</b>	<b>23,360</b>	<b>(1,079)</b>	<b>21,625</b>	<b>22,668</b>	<b>(1,043)</b>
<b>Activities other than social housing activities</b>						
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 ( <i>note 9</i> )	-	636	(636)	-	265	(265)
	<b>22,197</b>	<b>22,382</b>	<b>(185)</b>	<b>18,473</b>	<b>18,435</b>	<b>38</b>
<b>TOTAL</b>	<b>44,478</b>	<b>45,742</b>	<b>(1,264)</b>	<b>40,098</b>	<b>41,103</b>	<b>(1,005)</b>
Surplus on disposals of fixed assets			(64)			683
Fair Value: Movement on Investment Properties			587			-
<b>Operating surplus / (deficit)</b>			<b>(741)</b>			<b>(322)</b>

#### 4. Particulars of income and expenditure from social housing lettings

##### GROUP AND COMPANY

	2024	2023
<b>Supported housing</b>	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
Rent receivable net of service charges	2,748	3,902
Rent refund provision**	-	(427)
Service charge income	4,992	3,851
<b>Net rental income</b>	<b>7,740</b>	<b>7,326</b>
<b>Government grants taken to income</b>		
Amortised government grants*	87	(3)
<b>Turnover from social housing lettings</b>	<b>7,827</b>	<b>7,323</b>
<b>Operating expenditure</b>		
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
<b>Operating expenditure on social housing lettings</b>	<b>7,700</b>	<b>7,202</b>
<b>Surplus on social housing lettings (as per note 3)</b>	<b>127</b>	<b>121</b>
<b>Void losses (deducted from rent above)</b>	<b>1,065</b>	<b>808</b>

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	2024	2023	2023
	Group	Company	Group	Company
	£000	£000	£000	£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	-	-	-	-
<b>Total</b>	<b>187</b>	<b>187</b>	<b>165</b>	<b>165</b>

## 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	2024	2023	2023
	Group	Company	Group	Company
	£000	£000	£000	£000
<i>Emoluments (including pension contributions and benefits in kind)</i>				
Executive staff	498	427	589	530
Non-executive directors	63	63	66	66
	<b>561</b>	<b>490</b>	<b>655</b>	<b>596</b>
Employers' national insurance	75	67	72	66
	<b>636</b>	<b>557</b>	<b>727</b>	<b>662</b>
<i>Emoluments paid to the highest paid Director (Excluding pension contribution, including benefits in kind)</i>	<b>109</b>	<b>109</b>	<b>127</b>	<b>127</b>
Pension contributions for the highest paid director	<b>5</b>	<b>5</b>	<b>8</b>	<b>8</b>

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

	2024	2024	2023	2023
	Group	Company	Group	Company
	£000	£000	£000	£000
Directors' emoluments, as defined by the Companies Act 2006	<b>488</b>	<b>488</b>	<b>594</b>	<b>594</b>

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:

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

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

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

	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
<b>Total</b>	<b>33,920</b>	<b>29,358</b>	<b>30,673</b>	<b>26,551</b>

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:

	2024 Group No.	2024 Company No.	2023 Group No.	2023 Company No.
Staff remuneration bandings				
£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
<b>Total staff</b>	<b>11</b>	<b>10</b>	<b>8</b>	<b>8</b>

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
	<b>1,303</b>	<b>1,072</b>	<b>1,140</b>	<b>938</b>

## 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
<b>Mortality assumptions:</b>	<b>Years</b>	<b>Years</b>
<i>Longevity at age 65 for current pensioners</i>		
Men	20.9	22.2
Women	22.9	23.9
<i>Longevity at age 65 for future pensioners</i>		
Men	22.3	23.5
Women	24.4	25.4



Reconciliation of scheme assets and liabilities:

	Assets £000	Liabilities £000	Total £000
<b>At April 2022</b>	<b>10,534</b>	<b>(8,747)</b>	<b>1,787</b>
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)
<b>At 31 March 2023</b>	<b>6,502</b>	<b>(5,375)</b>	<b>1,127</b>
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
<b>At 31 March 2024</b>	<b>6,890</b>	<b>(5,151)</b>	<b>1,739</b>
Effect of asset ceiling			(1,692)
<b>Net assets at 31 March 2024</b>			<b>47</b>

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

Amounts recognised in income and expenditure are as follows:

	2024 £000	2023 £000
Current service costs	11	25
Financial income	(3)	(14)
<b>Total</b>	<b>8</b>	<b>11</b>

Amounts recognised in other comprehensive income are as follows:

	2024 £000	2023 £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
<b>Total</b>	<b>(20)</b>	<b>(425)</b>

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
<b>Total</b>	<b>6,890</b>	<b>6,502</b>

## 9. Non- Recurring items

	2024	2024	2023	2023
	Group	Company	Group	Company
	£000	£000	£000	£000
Organisational Restructure	-	-	265	265
Merger cost	636	636	-	-
<b>Total</b>	<b>636</b>	<b>636</b>	<b>265</b>	<b>265</b>

## 10. Interest receivable and financial income

	2024	2024	2023	2023
	Group	Company	Group	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
<b>Total</b>	<b>1,044</b>	<b>800</b>	<b>498</b>	<b>412</b>

## 11. Interest and financing costs

	2024	2024	2023	2023
	Group	Company	Group	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
<i>Surplus / (deficit) on disposal of fixed assets</i>				
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)
<b>Total (deficit) /surplus on disposal</b>	<b>(64)</b>	<b>(64)</b>	<b>683</b>	<b>683</b>

### 13. Housing and other properties used for social purposes

	Social Housing Properties £000	Nursing Homes £000	Crisis Houses £000	Day / Garden Centres £000	Total £000
<b>GROUP</b>					
<b>Cost:</b>					
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)
<b>At 31 March 2024</b>	<b>23,490</b>	<b>-</b>	<b>2,867</b>	<b>951</b>	<b>27,308</b>
<b>Depreciation:</b>					
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)
<b>At 31 March 2024</b>	<b>4,450</b>	<b>-</b>	<b>211</b>	<b>71</b>	<b>4,732</b>
<b>Net Book Value</b>					
At 31 March 2024	19,040	-	2,656	880	22,576
At 31 March 2023	19,537	911	2,618	890	23,956
	Social Housing Properties £000	Nursing Homes £000	Crisis Houses £000	Day / Garden Centres £000	Total £000
<b>COMPANY</b>					
<b>Cost:</b>					
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)
<b>At 31 March 2024</b>	<b>20,619</b>	<b>-</b>	<b>2,875</b>	<b>951</b>	<b>24,445</b>
<b>Depreciation:</b>					
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)
<b>At 31 March 2024</b>	<b>4,068</b>	<b>-</b>	<b>210</b>	<b>71</b>	<b>4,349</b>
<b>Net Book Value</b>					
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:

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

#### 14. Other tangible fixed assets

	Freehold Office Premises	Leasehold Office Premises	Motor Vehicles	Information Systems	Fixtures, Fittings & Equipment	Total
GROUP	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
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
<b>Depreciation</b>						
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
<b>Net Book Value</b>						
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
	Freehold Office Premises	Leasehold Office Premises	Motor Vehicles	Information Systems	Fixtures, Fittings & Equipment	Total
COMPANY	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
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
<b>Depreciation</b>						
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
<b>Net Book Value</b>						
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	2024	2023	2023
	Group	Company	Group	Company
	£000	£000	£000	£000
At 1 April	1,183	1,183	-	-
Additions/Disposals	230	230	-	-
Increase/(Decrease) in value)	587	587	-	-
At 31 March	<b>2,000</b>	<b>2,000</b>	-	-

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

### 17. Trade and other receivables

	2024	2024	2023	2023
	Group	Company	Group	Company
	£000	£000	£000	£000
Trade debtors	4,970	3,944	5,185	4,436
Less: Provision for bad debts	(1,045)	(1,043)	(1,005)	(1,003)
	<b>3,925</b>	<b>2,901</b>	<b>4,180</b>	<b>3,433</b>
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
	<b>5,889</b>	<b>4,515</b>	<b>6,173</b>	<b>5,346</b>



## 18. Current asset investments

	2024	2024	2023	2023
	Group	Company	Group	Company
	£000	£000	£000	£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	2024	2023	2023
	Group	Company	Group	Company
	£000	£000	£000	£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
	<b>8,207</b>	<b>6,871</b>	<b>7,457</b>	<b>6,224</b>

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

	2024	2024	2023	2023
	Group	Company	Group	Company
	£000	£000	£000	£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
<b>Total</b>	<b>6,938</b>	<b>6,938</b>	<b>7,838</b>	<b>7,838</b>

## 21. Recycled capital grant fund – Group and Company

	2024	2023	2024	2023	2024	2023
	RSH	RSH	GLA	GLA	Total	Total
	£000	£000	£000	£000	£000	£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
<b>Balance at 31 March 2024</b>	<b>1,059</b>	<b>872</b>	<b>753</b>	<b>720</b>	<b>1,812</b>	<b>1,592</b>
Amounts repayable within one year	696	477	-	-	696	477
Amounts due over 1 year	363	395	753	720	1,116	1,115
<b>Total</b>	<b>1,059</b>	<b>872</b>	<b>753</b>	<b>720</b>	<b>1,812</b>	<b>1,592</b>

## 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	2024	2023	2023
	Group	Company	Group	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
<b>Total</b>	<b>8,182</b>	<b>8,182</b>	<b>9,960</b>	<b>9,960</b>

## 23. Transfers between reserves

	2024	2024	2023	2023
	Group	Company	Group	Company
	£000	£000	£000	£000
<b>Movement in restricted funds</b>				
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
<b>Movement in revaluation reserve</b>				
Net revaluation gain/(loss)	263	263	(230)	(230)
<b>Movement in pension scheme reserve</b>				
Net movement in recognised pension scheme asset	5	5	3	3
<b>Total transfer from / (to) general fund</b>	<b>680</b>	<b>72</b>	<b>1,040</b>	<b>93</b>

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
<i>Alcohol, drugs and gambling Services</i>				
- 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
	<b>8,774</b>	<b>2,516</b>	<b>8,362</b>	<b>2,712</b>

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
	<b>653</b>	<b>640</b>	<b>1,197</b>	<b>1,146</b>

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.
<b>Social Housing</b>				
Supported Housing	226	316	234	372
Residential Care Homes	66	27	66	26
<b>Total Units in Management</b>	<b>292</b>	<b>343</b>	<b>300</b>	<b>398</b>
Crisis Homes	21	-	21	-
Market Rent	8	-	-	-
<b>Total Social and Non-Social units Managed</b>	<b>321</b>	<b>343</b>	<b>321</b>	<b>398</b>

## 29. Financial instruments

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

	2024	2024	2023	2023
	Group	Company	Group	Company
	£000	£000	£000	£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	2024	2023	2023
	Group	Company	Group	Company
	£000	£000	£000	£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 Charity.

### 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)
<b>Total</b>	<b>272</b>	<b>262</b>

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)
<b>Net cash inflow from operating activities</b>	<b>37</b>	<b>1,066</b>