RICHMOND FELLOWSHIP
MAKING RECOVERY REALITY

REPORT AND ACCOUNTS

for the year ended
31 March 2021

RECOVERY FOCUS aquarius DViP my time RICHMOND FELLOWSHIP MAKING RECOVERY REALITY

Company No. **0662712** **Richmond Fellowship** is part of **Recovery Focus**, an expert group of charities **inspiring recovery**. Reg. Charity No. **200453**

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RICHMOND FELLOWSHIP GROUP BOARD MEMBERS AND ADVISERS

BOARD MEMBERS	Helen Edwards	Chair
	David Brindle	Vice Chair *(resigned 1 May 2020)*
	Martin Allen Morales	*(appointed 1 May 2020)*
	Kapil Bakshi	
	Geoffrey Bland	
	Albert Fletcher	
	Anne Tansi Harper	
	Peter Molyneux	
	Rachel Perkins	
	Alan Powell	Vice Chair *(from 1 August 2020)*
	Jonathan Royle	
	Executive Directors	
	Derek Caren	Group Chief Executive
	Tim Anderson	Group Director of People & Organisation Development *(resigned 1 December 2020)*
	Tracey Bell	Group Director of Performance, Quality & Innovation
	June Riley	Group Director of Finance
	Robert Templeton	RF Director of Operations *(appointed 1 December 2020)*
	Mary Wishart	Group Director of Business Development *(maternity leave of absence to 4 May 2020)*

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London EC2R 6AY

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COMPANY REGISTRATION 662712

CHARITY NUMBER 200453

REGISTERED PROVIDER OF SOCIAL HOUSING H2025

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Introduction from the Chair and Group Chief Executive

Welcome to the Board Report and Accounts for the year ended 31 March 2021.

When we launched our ambitious new Group Strategy, "**Growing Stronger Together**" last year, none of us could have anticipated the year ahead. The challenges faced by our staff and service users over the last year have been unexpected and immense and it is an enormous tribute to all of them that we have come through as well as we have. We are immensely grateful.

In our work, we saw first-hand the pressures of the pandemic: pressures on day-to-day living as well on people's mental health and problems of substance misuse, domestic abuse and gambling. People using our services were not just dealing with their own life challenges, but the challenges being experienced by their families and the wider community. Our frontline teams have shown exceptional resilience to get us this far and as you'll see in this report deliver some fantastic progress against the targets we had set ourselves. But we have also used the past year as an opportunity to act differently, think differently and plan for a future which will be different from the one we expected.

We have adjusted our new Strategy accordingly and in the context of Black Lives Matters, we have revisited our diversity goals. We undertook a listening exercise using both surveys and pro-active video-conferencing 'lunches' open to all staff. We heard that whilst commitment was evident and progress being made, this was neither fast enough nor a strategic priority that would allow staff to feel their messages were being taken seriously. We responded by tasking a senior management group to make faster and more comprehensive changes and regularly report back across the Group. We will ensure all people we support get the personalised service they deserve (and will help most) and our staff reflect the communities we serve and are nurtured and supported to achieve their highest level possible, irrespective of who they are or what their background is.

So in amongst these seismic changes in our daily lives, the Group has continued to manage recovery journeys with barely reduced activity levels and a continuing focus on supporting people through to their definition of recovery. We have rolled out an ambitious quality improvement plan, delivered financial stability and new business, and supported our people to work in new ways to continue to successfully operate our services. The resilience of our staff has been huge and we registered record low rates of sickness and absence and a more stabilised staffing situation in most of our services.

Despite the pressures of having to adapt our services quickly in the past year, we have remained focussed on safe delivery of personalised recovery services. In our 2020 client survey we engaged most people to respond than for many years and despite the pressures, the number of clients with positive or stabilised scores in their recovery journey outcomes was a remarkable 91.8% with 95% of responses indicating that quality of life has improved and planned exits from RF services remaining over 90% and from Aquarius services, lifting to over 70% for the first time in many years.

But we want to make continuous feedback easier and more agile in terms of responding and so we are pressing on with new initiatives to make the voice of the people we support even stronger in 2021/22 as we press forward with our Working Together Strategic Plan.

Nonetheless, the operating environment remains tough and so we continue to work closely with existing and new delivery partners to combine our expertise to face these challenges. We opened a new Crisis House alongside Lancashire Care NHS FT. We also won an important new contract to deliver an open-access crisis service in Crawley (the Crawley Crisis Café) commissioned by the NHS, a natural extension of our long-term commitment to Crisis Care provision for and alongside the NHS. We also retained our Hampshire Supported Housing services, a significant contract to support a large number of people towards their own recovery following an improved model of care/support. We are working hard with commissioners to use the experiences of the pandemic to create more flexible options for service delivery. These are interesting times.

Finally, after 9 years of service we sadly said goodbye to David Brindle, our Vice-Chair and shortly after the year end, to Tansi Harper, after 7 years of service. David and Tansi have been at the heart of the Board's work to lead strategically and raise both ambition and standards for the Group.

H. Edwards

Helen Edwards
Chair
3 August 2021

Derek Caren

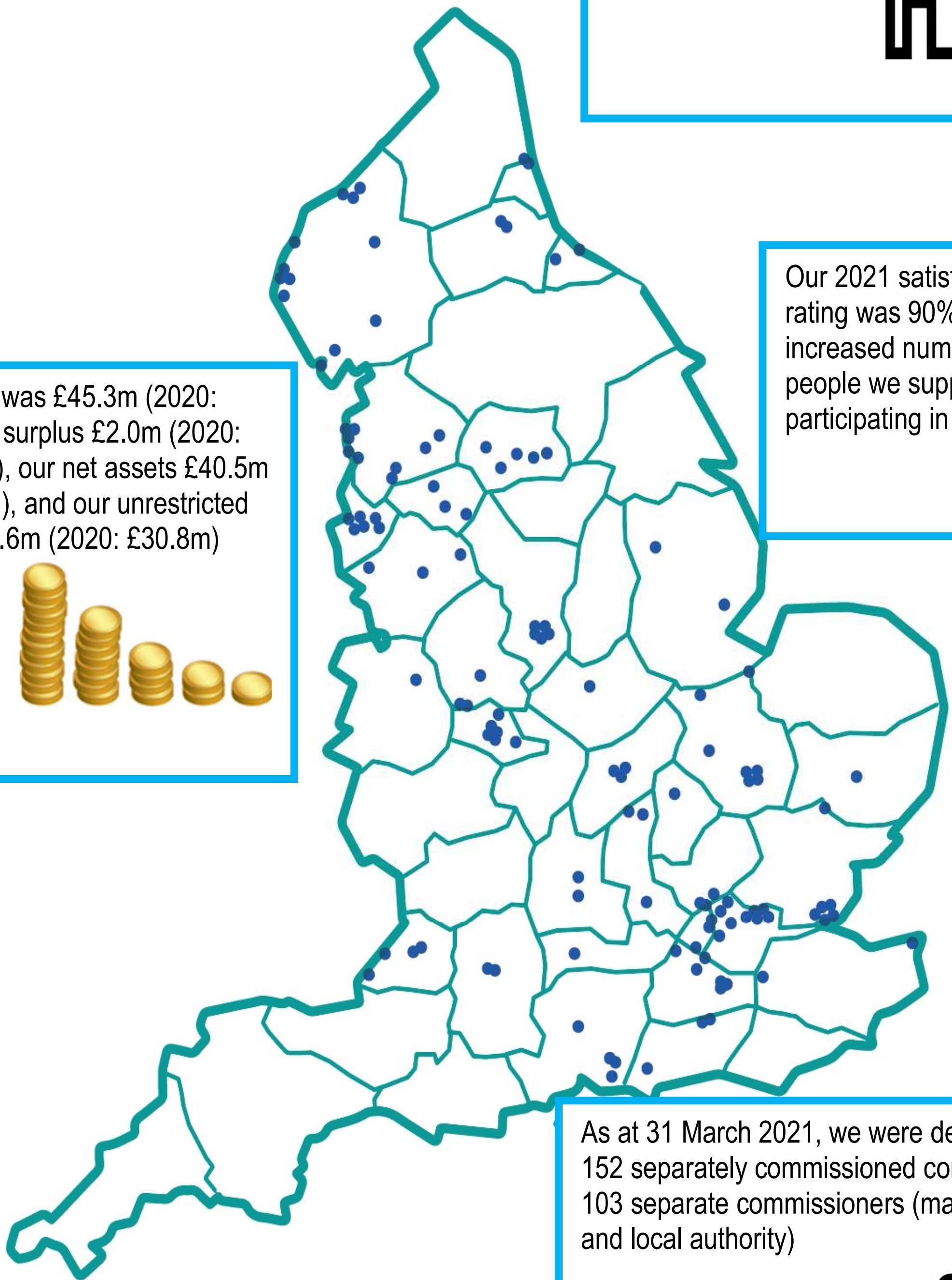
Derek Caren
Group Chief Executive

REPORT OF THE BOARD

KEY HIGHLIGHTS

Across England we supported 18,267 people. This map shows more clearly the areas in which we operate.

We provided residential services from 264 owned properties, 399 managed homes, 105 beds in registered care homes, and 30 beds in short-term crisis centres.



Our 2021 satisfaction rating was 90% with an increased number of people we support participating in the survey.

Our turnover was £45.3m (2020: £46.3m), our surplus £2.0m (2020: £1.2m deficit), our net assets £40.5m (2020; 38.5m), and our unrestricted reserves £32.6m (2020: £30.8m)

As at 31 March 2021, we were delivering 152 separately commissioned contracts for 103 separate commissioners (mainly NHS and local authority)

STRATEGIC REPORT

The Group Board presents its annual report (incorporating the strategic report) and accounts for the year ended 31 March 2021. This report is prepared in compliance with the Charities Act 2011 and the Companies Act 2006.

Our Group currently comprises Richmond Fellowship (RF) and Aquarius Action Projects (Aquarius) (together, "Recovery Focus"). RF and Aquarius are both registered charities and RF is also a registered provider of social housing. RF owns around a third of the homes used for residential services with the remainder managed by RF but owned by other registered providers.

The Recovery Focus Group brings together expertise in the fields of mental health, addictions, domestic abuse and related spheres. We have established a new form of collaboration to deliver the best possible outcomes for people using our services. As a Group we are able to better deliver:

- resilience in a difficult operating environment
- integrated models of care and support to match people's needs
- a stronger evidence base through collaboration, service investments and shared learning
- shared leadership which is defined and made clear
- efficient management of services based on geography
- shared support services and combined investment in infrastructure
- new business opportunities through joints bids

We want to work with strategic partners to collectively combine our expertise to deliver better outcomes for the people we support and together "do better business". We firmly believe a collaborative approach works more effectively in the modern care and support market where the pressures on commissioners and providers alike require everyone to respond more creatively.

OUR ACTIVITIES AND SERVICES

We are a highly experienced Group providing specialist support services to individuals and families living with the effect of mental ill health, drug and alcohol use, gambling and domestic violence.

We believe an autonomous Group approach works well in the challenging modern-day care and support market where fierce competition, low margins, and huge pressures on the NHS and local authorities, all bring their own significant pressures. This is compounded currently with the challenge faced globally of COVID-19 having a detrimental effect on the lives of the general population, and on the vulnerable people our services support.

The principal activity of the Group remains the provision of individually tailored support across a range of services. Our services cover varying levels of needs across the following areas:

- Crisis care – supporting those in crisis as an alternative to police custody or admission to acute hospital services
- Residential recovery – providing around-the-clock support, often as a step down from hospital
- Supported living – supporting the development of independent living skills, in accommodation we provide or in people's own homes
- Treatment and preventative services and carer support – supporting recovery of individuals and their kin, families and support/social networks
- Community-based services and peer support networks – tackling social isolation, promoting personal confidence and resilience and engaging in everyday mainstream activities
- Employment support – helping people stay in or return to paid employment, voluntary work or training and supporting employers to improve workplace well-being
- Domestic abuse interventions - working constructively with perpetrators to end their abusive behaviour and supporting survivors to create a safer space where they can start to rebuild a life for themselves and their families
- Social enterprise – supporting people using our services to secure employment experience through a number of separate initiatives across the country

We continue to develop our capacity and expertise operating in the fields of mental health, addictions, domestic violence and related spheres, despite the challenges of the year - strengthening the quality and range of support we provide and so inspiring recovery for more people. Making co-production a reality within the Group continues to be central to our delivery ethos. We continue to press for even greater consistency and compliance across all of our models of recovery

During 2020/21 we embedded the new Richmond Fellowship operational management structure we implemented in the previous year. This new structure increases the role of local management in the direction of the organisation, further devolves responsibility and ultimately supports our drive to improve quality and consistency across the Group. During the pandemic this new structure enabled a greater local freedom to work innovatively and quickly to keep the people we support safe and improve outcomes.

We made significant progress on our Working Together priority to put the people we support at the heart of everything we do. We set ambitious targets for even greater involvement of the people we support in their personal recovery plans. We introduced new feedback loops including exit surveys which will monitor, on an ongoing basis, key areas of delivery. We worked on our client management systems so that people we support are now able to directly access their own client records. This will enable them to track their recovery goals and wellbeing and use their own skills and interests to support their personal recovery. Our Working Together Committee, comprising people we support alongside non-executive directors and senior management, takes close scrutiny of the progress and sets metrics to better evidence how we are delivering on this key priority.

In the 2021/22 financial year we will focus on updating and honing our models of recovery – ready for the post pandemic future.

Our Group Strategy, Corporate Plan and Business Models

2020/21 was the first year of the Recovery Focus Group Strategy (2020-2023) entitled ***Growing Stronger Together*** which has a primary goal of *Inspiring Recovery* through the strengthening of the quality and range of our services. To deliver this aim we have identified five key enablers which are:

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

We will continue to use our reserves for investment, and we have selected strategic investment priorities, over four areas:

- Business efficiency improvements
- Social purpose asset improvements
- Acquisition of new housing properties
- Minor investments yielding high returns

Our desire to invest in IT and to modernise our digital platform to improve the services we deliver to our customers was accelerated during the pandemic. Having our investment strategy in place was a vital boost which enabled us to swiftly act and put into place vital infrastructure to continue our service effectively during the lockdown.

Corporate Plan 2020/21

Our key targets for delivery in the first year of the Group Strategy were drawn together in the Corporate Plan 2020/21. At the beginning of the year however we immediately revised both documents to incorporate our responses to two major world events, namely the COVID-19 pandemic (including the lessons we were learning both immediately and in the longer term). We were accelerating work already within the Strategy to ensure that our business was not only more diverse in its own right but also that the challenges relating to diversity were addressed head on and clearly as a priority.

As a result, we adjusted our targeted outcomes, some of which were accelerated and others which were deferred to later months. The highlights of what has been achieved include the following:

- We have begun to enable the people we support to manage their own client files and record all matters directly related to or ambitions in support of their personal recovery

- We now have the means to measure the effectiveness of our service satisfaction and our performance at co-producing everything we do
- Our targeted turnover, absence and recruitment fill rates are on track
- Our cash, net margin, reserves and new business targets are on track
- Our IT investments are progressing to plan and our new IT support arrangements are bringing about improvements to service
- We have acquired a new property in the year for expanding our crisis provision
- We are expanding our ‘ways to feedback’ as we expand our evidence base to establish and share best practice.

REVIEW OF THE YEAR AND KEY PERFORMANCE INDICATORS

The COVID-19 pandemic dominated the past year, and we like every other organisation felt the impact of these unprecedented circumstances. From the outset of the pandemic, we established a senior-level team to oversee our organisational response. A range of staff from across both Richmond Fellowship and Aquarius were involved and the response group met initially daily when the outbreak was at its peak. The Board held an additional meeting in April 2020 to focus solely on how the organisation was managing the immense challenge of the pandemic which brought with it uncertainty and risks. Regular updates were shared both through Board agendas and between meetings.

Communications have been a cornerstone of understanding the challenges and sharing experiences and solutions across the Group. We know how much the pandemic, and our response, will shape our work ahead and we have started to develop projects to hone our models of recovery and to redesign the way our staff will work in the future.

In 2020/21, the Group achieved a turnover of £45.3m - down from £46.3m in 2019/20. As a result of the pandemic, tendering activity was more modest in the year, with many commissioners delaying or deferring bids and tenders, but we saw significant increase in activity in the second half of the year. In the coming year a lot of existing contracts will be re-tendered, which should also bring us new opportunities. We retained £3.13m of existing business in the year. This attrition, combined with the loss of some existing contracted work, was mitigated by an additional £1.63m per annum value of new contracts won through tendering.

People we support to achieve their recovery outcomes

In 2020/21, 18,267 people were supported in their personal recovery by our services (2019/20; 19,105), each with a personalised care plan. The full breakdown of activity within the Group over the past year is as follows:

	2020/21	2019/20
Social housing provision:		
In supported housing	1,040	1,039
In registered care homes	145	123
Non-social housing accommodation:		
Care home with nursing	12	16
Crisis	1,700	1,553
Non-accommodation services:		
Employment related	2,412	3,163
Floating/community	5,382	4,544
Domestic abuse	820	1,124
Substance use/gambling	6,756	7,543
TOTAL CLIENT ACTIVITY FOR THE YEAR	18,267	19,105

As directors we monitor a range of indicators amongst which include:

Activity indicators	2021	2020	2019
Number of CQC registered services not meeting all core standards	0	1	3
Referral to treatment time of >3 weeks for treatment services	0.7%	5.5%	8.1%
Satisfaction indicators			
Clients surveyed who felt involved in planning their individual support	90%	94%	93%
% of clients with positive or stabilised scores in their recovery journey outcomes	92%	92%	94%
% of client exits planned – Richmond Fellowship services	90%	92%	92%
% of client exits planned – Aquarius services	72%	68%	67%
% of clients satisfied with the quality of their service	90%	93%	90%
% of residential clients (Richmond Fellowship only) satisfied with the quality of their accommodation	75%	84%	86%

At 31 March 2021 92% of the people we support were reporting positive or stabilised scores in their recovery journey outcomes. During the last year, 90% (2020; 93%) of departures from our services were planned exits having been empowered in their recovery to the point where they felt able to move on.

Satisfaction

In November 2020 we conducted our Annual Satisfaction Survey with people we support across our services. Despite the health and well-being challenges presented by the pandemic, we achieved a higher volume of responses from a wider range of services than in the previous year.

The overall satisfaction score was down slightly at 90% (2020; 93%). 95% (2020; 98%) of responses confirmed that the support we had offered had improved their life with 90% positively stating that they felt they had been directly involved in the planning of their personal support. Whilst many metrics have improved (and some significantly), others have deteriorated. We are reviewing the information at a more granular level to understand where trends are occurring and to what degree this has been impacted by the quality of service we could offer during the pandemic and where other more controllable issues have arisen. The survey, as ever, gave us clear messages around priority areas for improvement (including continuing to improve the condition of the homes we provide - both owned and sourced from other registered providers) and making giving feedback easier.

During the year we have added new methods of feedback, enabling us to respond more quickly to issues and plan more long-term improvements. This has included the roll-out of formal exit surveys with people we support.

Responses to the survey are cascaded by service model, region, and individual service across the group, to address the issues raised and to see how well services internally compare with peers. Local business plans contain an explicit commitment to improve. Drawing up these plans has continued despite the pressures on frontline services delivering during a pandemic.

FINANCIAL REVIEW AND FIVE-YEAR SUMMARY

Financial performance in the year

Supported housing is traditionally a low margin activity, but one of vital importance, giving support to the most vulnerable in our society. As a result of COVID-19, the year started in an environment of high risk and uncertainty, and we initially re-calculated our cashflows and year-end forecast expecting increased costs due to sickness absences, increased PPE and hygiene spend, increased voids and bad debt.

We managed to secure additional funding for some of our services to ensure we could continue to assist the people we support, change our service offering by providing services on-line and we used the savings we generated from travel reductions to ensure all of our working environments were COVID–19 safe. The escalation of our IT projects meant that staff could continue to work effectively from home removing any further risk of service disruption.

Our turnover decreased in the year by £1.0m to £45.3m (2020, £46.3m) but remained stable for all of our publicly funded services. The COVID-19 lockdown directly affected the turnover of our social enterprises, as our cafes and garden centre were force to close. Staff members working at these enterprises were furloughed and we received Government funding to support them whilst they were unable to work. Once allowed, the Old Moat garden centre, which provides support to many of our volunteers, was able to change its business model and generate income by selling goods on-line.

Despite this uncertainty, we are pleased to report a year-end surplus £2.0m (2020, £1.2m deficit) which will be used for future investment into our front-line services. This increase is largely due to the sale of three properties we made in the year which generated a surplus on sale of £433k, and savings we achieved in our operating cost as a direct result of the COVID-19 lockdown; we reduced travel, adapted to on-line training and deferred non-essential maintenance where building access was forbidden.

The results also include a positive non-cash return of £630k, generated from our investments, and a further positive return of £109k from the 2Care Pension and Life Assurance Scheme, as Richmond Fellowship is the sole employer of the Scheme.

The table below shows our financial performance for the past five years.

Financial data in £m's	2021	2020	2019	2018	2017
Comprehensive income					
Turnover	45.3	46.3	46.6	43.7	46.0
Operating surplus (before overhead)*	6.7	6.4	5.7	6.0	6.5
Operating surplus (as % of turnover)*	14.8%	13.8%	12.2%	13.7%	14.1%
Capital Investment					
Capital investment	2.0	1.3	3.5	4.3	2.1
Capital investment (as % of opening cash balance)	14%	10%	21%	22%	9%
Net assets:					
Cash	17.7	14.4	12.8	16.6	19.9
Other	22.8	24.2	26.9	22.5	19.8

* *This represents turnover less operating expenditure (excluding significant non-recurrent items (see note 6) and overheads arising from support functions and headquarters costs).*

PRINCIPAL BUSINESS RISKS AND UNCERTAINTIES

In 2020/21 we have evolved our reporting and oversight of risk by making some important changes by way of:

- A risk register that more closely aligns with our Group Strategy and has a clear statement around risk appetite (allowing a higher level of residual risk to occur);
- A more comprehensive approach to local operational and functional risk registers to ensure that areas of increasing risk are flagged and can be escalated as and when appropriate to the Group Risk Register;
- Further work to embed risk management culturally at every level of the organisation;
- Ensuring that emerging risks have clear and specific mitigations, owners and desired outcomes.

We worked with our new Internal Audit Team (RSM) to ensure that we were using best practice to guide our developing approach. The Audit and Assurance Committee oversee the entire register, but each Board Committee and the Aquarius Board all take a risk-based approach to their responsibilities, giving their respective assurances to the Group Board.

A lot of the risk focus in the year has been on the cross-cutting risks attached to managing the **COVID-19 pandemic**. We continue to remain fleet of foot to deal with local pressures and new methods of delivery as we seek to deliver as close to “business as usual” in terms of our outcomes, as possible. Policies and processes are being continually refreshed to reflect these new ways.

The risks to our Group from not promoting inclusion and celebrating and supporting **diversity** are significant and have been firmly in the spotlight during the year. We have re-doubled our programme to address this task and we are working to ensure this is a genuinely collaborative process including our workforce at every level and the people we support.

The rapid changes needed to adapt and continue to deliver our services during the pandemic has significantly altered the risks to our partners in delivering **safe and effective services.** We ensure that our commissioners are fully briefed on how continuous service is being achieved and the pathways and policies to support the new delivery methods are being co-produced to ensure the expertise of the people we support is being used to best effect so we remain as person centred as possible. This undertaking is supported through our Working Together Strategic Plan which drives co-production improvements, inclusion and continuous feedback. In turn this drives continuous quality improvement. Our governance groups and Committees ensure the necessary checks and balances are in place.

Following on from this significant period of managing the pandemic in our lives, we stay attuned to the **general economic and social environment.** Strong evidence has already emerged showing the impact of the pandemic on domestic abuse, substance use and mental health. We continue to remain vigilant to these pressures on the existing people we support but in turn we hope too that the statutory agencies are able to secure additional funds for new and more innovative services to tackle this pressing demand.

Our principal people resource risk is from **enduring high levels of staff turnover** and its resultant impact on continuity of service and team morale. The pandemic has played a role in prompting people to re-evaluate their work commitments and this has stimulated both stability and change. At the same time, our wellbeing and development programmes have been intensified to ensure our workforce is supported wherever possible. We have also maintained other benefits including pension flexibility, sickness and other leave provisions and celebrating long service. In terms of improvements, we have made significant changes in the year in terms of how recruitment takes place, how we recruit people who share our values as well as for their skills and how we induct and support performance improvements within our teams. The People Committee, reporting to the Group and Aquarius Boards, maintains a close oversight of progress.

Ensuring our business remains **sustainably viable** remains a relentless pressure and thereby a key risk to be managed. Our value for money agenda is driving financial efficiencies through better use of assets, removing duplication and increasing automation, smarter procurement and delivering using new methods. Commissioners continue to re-tender services exerting pressures on both quality and price, but we have competed well during the year. Given the long-term economic prospects, we will continue to apply pressure in all areas to work more cost effectively. This includes the development of new delivery partnerships.

Finally, the UK has exited the EU and we are all now adjusting to new ways. At present the impact on our business is small but we continue to scrutinise the situation to allow us to respond as necessary.

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

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

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

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

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

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

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

DIRECTORS REPORT

FINANCIAL RISK MANAGEMENT

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

Our liquidity remains sound, so we remain focused on improving returns and finding suitable investment options to better use our cash resources for furthering our objects. We have cash reserves and short-term cash deposits broadly equivalent to 190 days (2020: 137 days) of wage/salary bill. Currently we have 79% (2020: 85%) in liquid assets. The investments are split between the Cazenove Charity multi-asset fund and CCLA-COIF's ethical fund (relatively low risk funds), both portfolios engaging only with opportunities which can demonstrate high ethical standards. Investment managers present regularly to our Business and Finance Committee to ensure that the evidence of these standards is robust.

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

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

POST BALANCE SHEET EVENTS

On 31 May 2021, Tansi Harper retired from the Board. Geoff Bland will leave the Board on 31 August 2021. They will be replaced by Ian Ayling (from 2 June 2021) and Maureen Hopcroft (from 1 September 2021). Martin Allen Morales left the Board on 16 July 2021. We are currently recruiting for his replacement.

OUR PEOPLE

Our People Strategic Plan is key to our delivery of the Group Strategy 2020-23. We made important progress in the year to move closer towards our key deliverables in that Plan, which cover:

- Improvements to recruitment, retention and progression rates
- Staff Surveys reflecting increased job satisfaction, engagement and recognition
- A competitive reward package within the context of affordability
- Consistently effective leaders and managers across the Group working to a standard framework
- Increasing numbers of individuals with lived experience in paid positions
- Delivering a more diverse workforce across all grades/roles, relative to the wider population and the diversity of people we support in our services
- Aiming for and achieving Gold in our Investors in People re-assessment

Due to the huge levels of financial uncertainty in 2020/21 brought about by the pandemic, staff did not receive a cost of living pay award at the beginning of the year. However, all staff were awarded a non-consolidated payment at the end of the year as the financial position become more certain. In addition to this, front-line staff working within residential settings, who continued to go into their place of work during the height of the pandemic, were awarded a one-off recognition payment as an appreciation of their commitment; all other staff received a recognition voucher as a “thank-you".

All our recent pay awards have been on a sliding scale in order to significantly benefit frontline staff first and foremost. Our local frontline management are key to our success, so we will ensure that their reward closely matches market medians.

Aquarius acted similarly in 2020/21 due to the high levels of uncertainty, and the Aquarius Board remains committed to re-shaping the business in 2021/22 and introducing a new, fairer pay and reward system.

We have done a lot of work during the year to support the health and well-being of our workforce. Their resilience has been remarkable during the past year’s challenges, and we must and will ensure that they continue to feel safe and supported whilst delivering our services.

We continue to drive greater consistency across our services with a new leadership and management framework in place and a bigger role for peer support workers and volunteers in our services (who may or may not be pursuing routes into employment), in addition to doing more to recruit people with lived experience. All these initiatives mean our staff are in an even better position to support people on their recovery journey. We continue to work with commissioners to offer more services (across all our recovery models) using this approach.

Richmond Fellowship has a constructive, long-standing trade union recognition agreement with UNITE and has a formally constituted Joint Negotiation Committee (JNC) for matters relating to pay (both contractual and non-contractual). Both Richmond Fellowship and Aquarius have Staff Councils which function well and meet quarterly to run through key issues around the running of both businesses. Reports from these meetings are reviewed by the People Committee of the Group Board and the Aquarius Board.

During the year we paid particular attention to the following indicators:

Activity indicators (annualised)	**2021**	**2020**	**2019**
% of days lost arising from sickness	2.4%	4.6%	5.2%
% of voluntary turnover in the past 12 months	21%	29%	27%
% of workforce from BAME backgrounds compared to client %	+1.5%	+0.3%	-1.0%
% of workforce completing mandatory training during probation	91%	99%	97%
Client satisfaction indicators			
Client feels staff treat them with dignity and respect	95%	97%	96%
Client feels keyworker listens to client's views and acts on them	94%	96%	96%
Client feels supported by staff to achieve plan goals	93%	96%	93%

To relieve some of the pressure on frontline staff during 2020/21 we postponed our bi-annual staff survey, and this will now take place in 2021/22.

Our Group workforce as at 31 March 2021 comprises the following:

- 72% female (71.6% in Richmond Fellowship and 76.7% in Aquarius). This is higher in frontline services (73% compared to 62% in office-based functions). 43% of the Group Leadership Team and 40% of the Richmond Fellowship Board are female.
- 17.1% of the Group's workforce self-classify their ethnicity other than white (18.3% in Richmond Fellowship and 9.4% in Aquarius) – the equivalent data for the Group Leadership Team and Board is 14% and 20% respectively.
- 6.1% of staff consider they have a disability (6.1% in Richmond Fellowship and 6.3% in Aquarius);
- 9.1% of staff consider they have lived experience of the issues that our services currently support (ranging across mental health, substance use, gambling and domestic abuse). This breaks down 9.9% in Richmond Fellowship and 3.8% in Aquarius.

As already flagged, a cross-functional project group has agreed a plan of action in 2020/21 to be rolled out in 2021/22 to make our organisation more diverse and do more to directly support diverse groups to progress within the organisation and be sensitive to their needs and the impact that policy and other decisions have upon people with diverse backgrounds.

In 2020, using the new formulae prescribed by HM Government, we saw our median gender pay gap widen slightly, but this remains at less than 3%. We continue to closely monitor our position.

At 31 March 2021 our services were supported by 173 volunteers (169 in 2019/20) in place across the Group, 38 in Aquarius and 135 in Richmond Fellowship. We had hoped for a more significant expansion of our volunteering programme engaging people with lived experience into our service delivery, but this was significantly impacted by the pandemic. We hope to do more work to unlock this significant potential in 2021/22.

DIVERSITY, EQUALITIES and SOCIAL RESPONSIBILITY

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

In the year, we continued to work through the action plans arising from our most recent Investors in People (Silver Award) and Investors in Diversity accreditations. However, we recognise that the drive to make our workforce more diverse and the support we give to staff from diverse backgrounds needs to move at a more ambitious pace. We have therefore set up a multi-functional project team to drive cultural change through the organisation and set ourselves significantly higher targets to turn intentions into changes in behaviour.

We have refreshed our Impact Assessment framework for policies and key decisions and focussed on the impact of four key areas: our end users, equalities, environment and data privacy.

We proudly hold accreditations from Investors in People and Investors in Diversity. We are also accredited as a Disability Confident employer. This verifies our approach to ensuring recruitment is inclusive and accessible. It also mirrors our efforts to promote the involvement, including employment, of people with lived experience in delivering our services and support functions.

We appreciate that inclusion and social responsibility is a dynamic goal which requires constant monitoring, clear leadership and strong training and awareness programmes. We have a broad range of mandatory training (sadly mostly 'virtual' in 2020/21, but we value face-to-face and more interactive learning highly) alongside our cyclical awareness programmes which underpin the culture and behaviours we want to demonstrate across the Group. This mandatory training is for board members, our staff and volunteers, and other partners who work closely with us to deliver our support programmes

Through our social enterprises and other initiatives, we can directly engage with communities where our services are located, supporting the integration of those who are part of our social enterprise services into these communities. It has been a tough year for our social enterprises, with business models affected greatly by the national lockdown. The social return on these services remains high, and as the world reopens, we are supporting them by making adjustments to ensure they retain sustainable long-term business models.

The physical and emotional wellbeing of the people we support, and our workforce, is one of our key priorities. We annually review all key policy, practice and learning (both internally and in the wider sector) in relation to our duty of care obligations. This has included updating our approach to safeguarding, risk, leadership and management and whistle-blowing as well as updating our statement to remain ever vigilant group-wide, against Human Trafficking and Modern Slavery.

ENVIRONMENT

We are committed to improving our environmental awareness and reducing the impact of our business on our environment, both now and in the future.

Aquarius first achieved ISO 14001 (Environmental Management Standard) status in 2012 and maintains its accreditation. Neither Richmond Fellowship nor Aquarius has ISO 50001 (energy management) currently but that position remains under review and we expect to update our Estates Plan in the near future which will set targets for the Group in terms of managing and improving our future green footprint. This will be aligned with our Group Environment Policy.

We have collected 12 months continuous consumption data for a significant proportion of the premises we operate services from and extrapolated this data across the premises portfolio using consumption profiling. The period covered by the monitoring was April 2020 – March 2021. The calculation estimates total consumption at 7.2m kWh with 7.1m kWh on fossil fuels (broadly equivalent to 1.5m kg CO_2, with 0.4m kg CO_2 from electricity usage, including transmission and 1.1m kg CO_2 from natural gas supplies). A further de minimis consumption of 112k kWh (1.9% of total consumption, equivalent to 20k kg CO_2) estimated for use of public and private transport in delivering our services (NB. there is no use of air or sea travel for this purpose). The 2020 kWh to CO_2 conversion rates have been applied.

We have worked with expert advisers to identify potential savings, by improving our lighting systems to LED and introducing more automated energy efficiency features, including heating controls in our buildings and heating and hot water boiler upgrades. We will map out where investment can be prioritised to achieve greatest impact as part of the planned Estates Plan review.

Further work needs to be done to routinely monitor water consumption and waste to further stretch our environmental impact reduction targets. We always seek to procure sustainably across our supply chain and will be looking at more of our routes to procurement in the coming year

FUNDRAISING

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

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

LEGAL STRUCTURE AND GOVERNANCE

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

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

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

The Group Board is a unitary board comprising up to five executive directors and up to ten non-executives. For any vote, the number of non-executives present must exceed executives. New Group Board directors are recruited in accordance with specific provisions in the Richmond Fellowship Articles and are taken through a tailored induction on joining. Board members are provided with training support identified from regular appraisal and review discussions.

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

To align with our new Group Strategy and new ways of service delivery, a number of policies and processes were updated in the year including: risk management, safeguarding, information governance and data management – all policy areas defining how we apply our values to deliver a safe and sustainably viable business over the longer-term. Increasingly policies are written now for the Group, with local procedures developed to deliver these policies in different settings according to the model of recovery they are delivering.

REGULATION AND COMPLIANCE

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

Statement on public benefit

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

Statement of accountability

The Group Board accepts the obligation to account for its actions in an open manner to people who use our services, our regulators, commissioners, and other stakeholders, including the wider public. The Group Board also accepts the obligation to ensure that Group companies deliver the standards of probity required by law, by their regulators and appropriate to their position in the community. The Group aims to achieve a high level of corporate social responsibility subject to its overriding duty to fulfil its charitable objects and to use its charitable resources for that purpose.

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

Statement of compliance with the RSH’s governance and viability standard and the NHF Code of Governance

The Governance and Financial Viability Standards of the Regulator of Social Housing (RSH), effective at 31 March 2021, requires compliance with an “appropriate code of governance, giving reasons for the choice and explaining areas of non-compliance”. RF has chosen the National Housing Federation (NHF) Code of Governance, which in turn requires compliance with the NHF Code of Excellence in Conduct. During the year, the NHF re-issued their Code and the Group Board has committed to its adoption during 2021/22. As such the 2022 Directors’ Report will report against the new 2020 Code, but for the purposes of this report, we continue to assess ourselves against the 2015 Code, in common with peers.

The Board considers the regulatory standards and matters covered by the Code through the ongoing work of the Audit and Assurance Committee. In July 2021, the Committee reviewed the Group’s compliance and concluded that this had been demonstrated, approving the following statement of compliance:

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

The specific area of non-compliance with the NHF Code is explained as follows:

Requirement	*Reason for non-compliance*
(B4) Boards should have at least five members and no more than twelve, including any co-optees and any executive board members.	To meet the demands of our complex and changing Group, the Group Board comprised 15 members in total (with the Articles allowing a maximum of 15) as at 31 March 2021: this includes 5 executive directors as RF has a unitary board.

One new Group Board appointment was made in 2020/21 with our longest serving director, David Brindle, retiring after completing a maximum 9 years’ continuous service. He was replaced by Martin Allen Morales who brings the benefit of his diverse skills and experience as a consultant and entrepreneur. We remain of the belief that having a unitary (and therefore larger) board currently serves our Group well.

As part of its annual self-evaluation process, the Board has concluded that the business case for payment of non-executive Group Board members remains valid and of benefit to the charity. The levels of payment in place are reviewed annually and these will be fully benchmarked in 2021/22 to ensure they remain at the right level for the responsibility and expectations we make of our non-executives. Each board member receives one-to-one reviews of their contributions to the effective overall working of the Board (further detail below).

DISCLOSURE OF INFORMATION TO THE AUDITOR

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

Approved by the Board and signed on its behalf by

H. Edwards
Helen Edwards (Sep 28, 2021 16:54 GMT+1)

H Edwards, Chair of the Board

3 August 2021

STATEMENT OF THE GROUP BOARD ON VALUE FOR MONEY

To comply with the Regulator of Social Housing's latest code of practice on value for money, as a registered provider we are required to publish our performance against a given set of key indicators which is shown below:

Sector Scorecard	RF 2021	RF 2020	Benchmarking (based on 2020 Global Accounts) A	B	C	D	E	F	2020 Ranking
> Business Health									
Operating margin (overall)	2.0%	(0.1%)	10.1%	22.8%	3.5%	6.9%	4.4%	(0.7%)	6th
Operating margin (social housing	18.1%	25.5%	4.1%	6.7%	2.3%	2.3%	8.4%	(1.6%)	1st
EBITDA MRI (as % interest)	n/a	n/a	478.4%	102.0%	515.5%	333.9%	238.0%	(262.9%)	n/a
> New Supply delivered									
Social housing units - %	0.0%	3.4%	2.1%	2.6%	0.0%	0.4%	0.4%	9.3%	=6th
Non-social housing units - %	n/a	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	n/a
Gearing	n/a	n/a	1.4%	36.2%	(0.8%)	8.2%	14.2%	(25.0%)	n/a
> Effective asset mgt									
Return on Capital Employed - %	2.4%	(0.1%)	1.8%	1.9%	1.8%	0.9%	1.5%	0.0%	1st
>Outcome delivered									
Reinvestment	n/a	n/a	4.2%	6.2%	2.3%	1.5%	2.3%	5.7%	n/a
>Operating Efficiency									
Headline social housing unit costs	£ 7,596	£ 6,831	£ 12,490	£ 10,460	£ 22,850	£ 26,140	£ 6,650	£ 22,240	2nd
Management cost per unit	£ 841	£ 872	£ 2,701	£ 1,903	£ 4,475	£ 10,462	£ 7,207	£ 16,474	1st
Service charge cost per unit	£ 1,762	£ 1,871	£ 5,770	£ 1,905	£ 8,770	£ 9,690	£ 8,567	£ 11,032	1st
Routine Maintenance cost per unit	£ 77	£ 87	£ 2,282	£ 1,208	£ 3,282	£ 2,152	£ 4,067	£ 2,264	1st
Planned Maintenance cost per unit	£ 57	£ 35	£ 2,650	£ 945	£ 1,310	-	£ 176	£ 716	1st
Major repairs cost per unit	£ 571	£ 193	£ 558	£ 751	-	£ 45	£ 964	-	3rd
Lease costs	£ 1,880	£ 1,829	-	£ 2,618	-	-	-	£ 4,986	1st
Capitalised major repairs expenditure	£ 343	£ 61	£ 724	£ 183	£ 182	£ 1,772	£ 1,528	£ 889	3rd
Other (social housing letting) costs	£ 326	£ 481	£ 1,736	£ 475	£ 202	-	£ 186	£ 484	3rd
Other social housing activities: charges for support services]	£ 19,935	£ 22,453	£ 11,994	£ 5,368	£ 10,321	£ 40,460	£ 2,866	£ 21,986	5th
Total social housing units owned and/or managed at period end	771	786	2,302	1,468	1,249	2,471	3,921	2,645	7th

It is important for us to get the best value we can from our resources. To test this, we benchmark ourselves against a selected group of peer organisations to help to give us an objective perspective. We have identified six similar sized registered providers of social housing who provide care and support services and operate in similar geographic areas to compare ourselves with. We have selected their metrics from the 2020 Global accounts of private registered providers and ranked our performance for each of the above key measures. We believe this is an effective way to get an objective point of view on our performance to help us to learn, plan, grow and take corrective action where we find this to be necessary.

Our results show that our headline social housing unit cost metric has increased from £6,831 to £7,596 per unit. This increase is largely reflecting our increased investment in major repair expenditure. We planned to invest further in our properties, but due to the COVID – 19 lockdown we have deferred some of our non-essential maintenance work to 2021/22. The overall results place us in second position when compared to our peers (2020: third position). As the lockdown was beginning to ease towards the end of the financial year, a decision was made to carryout a substantial deep-clean project across a large majority of our social housing properties which included garden clear-ups. This had a positive effect on the people we support in these properties and staff working in them, as many of the external cleaning and maintenance services had been minimised during the pandemic.

Value for money through delivery

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

- Co-production – through increasing levels of co-production we can deliver services differently and more effectively using local ideas and innovations.
- Governance – through scrutiny and assurance we ensure that the people we support get value for money by internal and external benchmarking and robust budgeting.
- Delivery processes – the pandemic has forced us to re-assess how we work and how we might deliver services differently. We are aligning this with our digital strategy, to make our business more technology driven, and end user focussed.
- Consistent and improved models of recovery and procurement – the pandemic has given us further impetus to hone our models of recovery. Group-wide we are driving a procurement initiative that will yield consistent and effective outcomes with an even more affordable cost base.

Group Board Statement of Responsibilities

We have worked hard in compiling the Corporate Plan, to ensure that our plan priorities take on board how these will impact and improve our regulatory indicators.

Procurement

The Board approved a procurement strategy 2020-2023 with a focus on strengthening the Group's approach to procurement and supporting the achievement of the 2020-2023 Group Strategy **'Growing Stronger Together'**. The aim of this strategy is to ensure that procurement activities are undertaken efficiently and economically. The strategy provides direction to strive for best practice in procurement while constantly improving value for money and the quality of goods and services that are procured. It outlines the role that procurement will play in the delivery of the Group's priority objectives:

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

STATEMENT OF THE GROUP BOARD ON INTERNAL CONTROLS ASSURANCE

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

Board Members and Meetings

A full list of Board Members is available on page 1. The Group Board met formally seven times during the year. Attendance overall (including Executive Directors) at these meetings was 94% (2020; 91%). Despite not meeting in person, additional sessions allowed board members broader and more exploratory strategic and governance related discussions. These team development sessions have included many areas including safeguarding, market changes, succession and unconscious bias. Scrutiny of the business continues, and all our legal and regulatory commitments are being met.

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

Board Members' remuneration, attendance and Partner Board/Committee Memberships in 2020/21 were:

Non-Executive	***Remuneration***	***Group Board Attendance***	***Partner Board/Committee Memberships***	***PARTNER BOARD/ COMMITTEE KEY***
M Allen Morales	£4,583	5 / 6		
K Bakshi	£5,000	7 / 7	QPC, WTC	AAC (Audit & Assurance)
G Bland	£6,000	7 / 7	AAC, BFC	AAP (Aquarius Board)
D Brindle	£667	0 / 1	QPC	BFC (Business & Finance)
H Edwards	£12,500	7 / 7	AAC, PeC	PeC (People)
A Fletcher	£5,000	6 / 7	QPC, AAP	QPC (Quality & Performance)
T Harper	£6,000	7 / 7	BFC, PeC	WTC (Working Together)
P Molyneux	£6,000	6 / 7	QPC	
R Perkins	£6,000	5 / 7	WTC	
A Powell	£7,333	7 / 7	AAC, BFC	
J Royle	£5,000	7 / 7	PeC, QPC	

The work of our Board Committees is enhanced by co-optee expert advisers who add a wider perspective and expertise on all committees (except for the Remuneration Committee). We thank all of them for the dedication to the work of the Group and the sharing of their own perspectives.

Matters reserved for the Group Board

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

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

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

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

Health and Safety Group – pro-actively manages health and safety risk and compliance, monitoring risks relating to clients, workforce and premises. This Group includes an external expert advisor and reports and makes recommendations via the Group Board's Quality and Performance Committee to both Boards. Non-executive board member, Albert Fletcher, attends in his capacity as Board Health and Safety Champion.

The Group uses the single central system for accident and incident reporting and to evidence issues occurring and responses sanctioned by management. In terms of high-level incidents, we had reduced recording of self-harm, attempts at suicide and medication errors. Significant anti-social behaviour related incidents however did increase year on year. Learning from all incidents is collected, reviewed and lessons shared

Service Governance Group – the remit of this Group is to oversee quality of service delivery across the Group, ensure consistently high standards and manage emerging delivery risks in the service. This Group also includes an external expert advisor (and the Group also reports and makes recommendations to the Group Board's Quality and Performance Committee which report in turn to both Boards). This group oversees the internal Quality Improvement Plan and oversees client risk, including the local management of clients' own funds, medication and well-being.

Information Governance Group – the remit of this Group is to ensure that all aspects of our approach to information governance comply with the expectations of the law, regulators, commissioners and the rights of individuals who access or deliver our services. The ever-increasing challenge of cyber risk and the increasing importance of technology and data in supporting the safe and effective delivery of our services makes the work of this Group an ever more important part of our governance.

Identification and evaluation of risks and control objectives

Board directors, working with the Group Leadership Team (currently comprising Group directors and the operations leads for both Richmond Fellowship and Aquarius) and the directors of the Aquarius Board have separately and collectively given substantial consideration to the major risks to which the Group is exposed. As part of this process, the Audit and Assurance Committee meets four times annually and gives a significant portion of their agenda to risk scrutiny and challenge. The internal and external audit teams are an important second line of assurance in fulfilling this remit.

Ownership for delivering the priorities and managing the associated risks rests with the GLT, but each Group Board committee has a portfolio of risks that it leads scrutiny on with non-executives introducing additional ideas and rigorously working through the challenges for the organisation.

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

Managing the business

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

In support of all the controls mechanisms in place, the provision of effective training and awareness information is essential to ensure that processes work and are applied safely and consistently. As part of a significant training and development offer, many modules are mandatory for all staff, and are refreshed regularly to ensure the Group's workforce is informed and prepared and can deliver quality services.

In the past year we have referred only one significant incident to our regulators, that being the case of a suspected fraud which is now in the hands of the police. Under the oversight of the Audit and Assurance Committee, management are ensuring that all learning is reviewed and controls are in place to minimise the opportunity of re-occurrence.

As further independent assurance, we have a number of external accreditations across the Group as a good cross-check on the effectiveness of our processes and controls, including Investors in People (Silver), Investors in Diversity and ISO 14001 (for Aquarius). As a further second line of assurance, our new Internal Audit Team delivered a significant programme in the year resulting in a range of actions that management are pursuing. The 2020/21 audits included Procurement, Risk Maturity, Data Governance, Income and Debt Management and Programme and Project Management Frameworks within the Group.

Group Board Statement of Responsibilities

Internally we continued to publicise our Feedback Policy and raise awareness around the key policies that assist with controls assurance, such as Whistleblowing, Anti-Money Laundering, Anti-Fraud, Gifts/Hospitality and Conflicts of Interest. Our Quality Self-Assessment regime is now in place across the whole Group and is evolving very positively at local, area and partner-wide level. We will do further work in the year to re-structure and enhance routine internal reporting to ensure that processes are as clear and simple as possible (to assurance compliance and consistency) and to receive end user focused support services from central teams.

Our non-executive board members undertake service visits as part of their responsibilities to understand the services we are delivering, how these are delivered and the challenges faced by our frontline workforce. This is also an opportunity for them to speak to people we support directly. Due to the pandemic this programme was suspended, but when it was clear that the duration of pandemic working would be significant, “virtual visits” were begun. These started in the new calendar year and two or three have been held each month and are a valuable learning and checking experience for non-executives. At the end of the year, the Group Board has reviewed the controls and assurances in place across the Group and is satisfied that the Group is both compliant with legal and regulatory requirements and improving. This includes all the areas of work for which the Aquarius Board is ultimately responsible for delivery and over-sight.

We work closely with external partners and others to ensure we are aware of their perspective on our strategic direction and on-going performance. This includes working closely with commissioners to ensure they are happy with our provision and to see how services might be made more effective. We also work with local safeguarding teams, fire safety authorities, the Care Quality Commission and other independent expert advisors whose objective viewpoint is valued as a means to delivering our continuous improvement agenda.

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

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

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

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

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

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

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE BOARD AND MEMBERS OF RICHMOND FELLOWSHIP

Opinion

We have audited the financial statements of Richmond Fellowship (the 'Parent Charitable Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021 which comprise the Group and Company Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cashflows and the Notes to the Accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2021 and of the Group's and Parent Charitable Company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 for the Group and the Company and the Charities Act 2011(for the Group); and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Report of the Group Board has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of the Responsibilities of the Group Board set out on page 21, the members of the Board (who are directors of the Parent Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained a general understanding of the Group and the Parent Charitable Company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of the Group and the Parent Charitable Company's industry and regulation.

We understand that the Group and the Parent Charitable Company complies with the framework through:

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

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

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Parent Charitable Company's Trustees as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Parent Charitable Company's members and Board members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Charitable Company, and the Parent Charitable Company's Board members as a body, for our audit work, for this report, or for the opinions we have formed.

Jacqueline Oakes
Senior Statutory Auditor, for and on behalf of

Nexia Smith & Williamson

Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY
29/09/2021

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2021

	Notes	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Turnover	**3**	45,267	39,721	46,262	40,976
Recurring		(44,910)	(39,681)	(46,524)	(41,004)
Non-recurring	**6**	-	-	(565)	(565)
Operating expenditure		(44,910)	(39,681)	(47,089)	(41,569)
Surplus on disposals of fixed assets	**12**	433	433		
Other operating income / (costs)		295	187	-	-
Operating surplus / (deficit)	**3**	1,085	660	(827)	(593)
Interest receivable	**10**	156	155	211	201
Interest & financing costs	**11**	-	-	(1)	(1)
Movement in the value of investments		630	630	(289)	(289)
Surplus / (deficit) for the financial year	**12**	**1,871**	**1,445**	**(906)**	**(682)**
OTHER COMPREHENSIVE INCOME					
Actuarial gain/(loss) in respect of pension scheme	**9**	109	109	(291)	(291)
Total comprehensive income for the year		**1,980**	**1,554**	**(1,197)**	**(973)**

The Income and Expenditure Account was approved and authorised for issue by the Group Board on 3 August 2021.

H. Edwards
Helen Edwards (Sep 28, 2021 16:54 GMT+1)

A. Powell
Alan Powell (Sep 28, 2021 18:10 GMT+1)

Helen Edwards
Director

Alan Powell
Director

STATEMENT OF FINANCIAL POSITION as at 31 March 2021
COMPANY NUMBER 662712

	Note	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Fixed Assets					
Property, plant & equipment					
- Housing & other properties used for social provision	13	24,421	22,660	24,837	23,076
- Other property, plant and equipment	14	5,345	4,489	4,937	4,023
Intangible assets	15	-	-	-	-
Post employment benefits	9	538	538	448	448
		30,304	27,687	30,222	27,547
Current assets					
Inventories	16	129	128	116	113
Debtors due within one Year	17	6,457	5,833	6,746	5,924
Investments	18	3,798	3,798	3,168	3,168
Cash at bank and in hand		13,946	10,557	11,184	8,608
		24,330	20,316	21,214	17,813
Creditors: amounts falling due within one year	19	(6,283)	(5,675)	(4,609)	(4,130)
Net current assets		**18,047**	**14,641**	**16,605**	**13,683**
Total assets less current liabilities		**48,351**	**42,328**	**46,827**	**41,230**
Creditors: amounts falling due over one year	20	(7,830)	(7,830)	(8,286)	(8,286)
Total assets less liabilities		**40,521**	**34,498**	**38,541**	**32,944**
Funds					
Restricted funds	24	7,931	3,806	7,789	4,090
Unrestricted funds					
- Unrestricted general funds	26	31,087	29,371	29,771	28,055
- Designated funds	25	184	-	382	198
- Revaluation reserve	26	781	783	151	153
- Pension reserve	26	538	538	448	448
		40,521	**34,498**	**38,541**	**32,944**

The accounts were approved and authorised for issue by the Group Board on 3 August 2021.

H. Edwards
Helen Edwards (Sep 28, 2021 16:54 GMT+1)

Helen Edwards
Director

A. Powell
Alan Powell (Sep 28, 2021 18:10 GMT+1)

Alan Powell
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2021

		Unrestricted				
	Restricted Funds	General Funds	Designated Funds	Revaluation Reserve	Pension Reserve	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2019	**7,758**	**30,495**	**292**	**441**	**752**	**39,738**
Surplus for the year	-	(906)	-	-	-	(906)
Other comprehensive income	-	-	-	-	(291)	(291)
Total comprehensive income	-	(906)	-	-	(291)	(1,197)
Transfers (note 23)	31	182	90	(290)	(13)	-
Balance at 31 March 2020	**7,789**	**29,771**	**382**	**151**	**448**	**38,541**
Surplus for the year	-	1,871	-	-	-	1,871
Other comprehensive income	-	-	-	-	109	109
Total comprehensive income	-	1,871	-	-	109	1,980
Transfers (note 23)	142	(555)	(198)	630	(19)	-
Balance at 31 March 2021	**7,931**	**31,087**	**184**	**781**	**538**	**40,521**

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2021

		Unrestricted				
	Restricted Funds	General Funds	Designated Funds	Revaluation Reserve	Pension Reserve	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2019	**3,837**	**28,778**	**107**	**443**	**752**	**33,917**
Surplus for the year	-	(682)	-	-	-	(682)
Other comprehensive income	-	-	-	-	(291)	(291)
Total comprehensive income	-	(682)	-	-	(291)	(973)
Transfers (note 23)	253	(41)	91	(290)	(13)	-
Balance at 31 March 2020	**4,090**	**28,055**	**198**	**153**	**448**	**32,944**
Surplus for the year	-	1,445	-	-	-	1,445
Other comprehensive income	-	-	-	-	109	109
Total comprehensive income	-	1,445	-	-	109	1,554
Transfers (note 23)	(284)	(129)	(198)	630	(19)	-
Balance at 31 March 2021	**3,806**	**29,371**	**-**	**783**	**538**	**34,498**

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2021

	Note	2021 £000	2020 £000
Net cash generated from operating activities	**32**	**3,428**	**2,987**
Cash flow from investing activities			
Acquisition & development of properties used for service provision		(766)	(913)
Sale of housing properties	**12**	1,190	-
Purchase of other property, plant & equipment		(1,248)	(397)
Sale of other property plant & equipment		12	-
Investment income received		141	145
Interest received		5	48
Net cash used in investing activities		(666)	(1,117)
Cash flow from financing activities			
Interest paid		-	(2)
Net cash used in financing activities		-	(2)
Net decrease in cash and cash equivalents		2,762	1,868
Cash & cash equivalents at the beginning of the year		11,184	9,316
Cash & cash equivalents at the end of the year		**13,946**	**11,184**
Cash & cash equivalents at the end of the year comprise:			
Cash at bank & in hand		13,946	11,184
		13,946	**11,184**

NOTES TO THE ACCOUNTS for the year ended 31 March 2021

1. Legal status

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

Aquarius Action Projects ("Aquarius"), is a wholly owned subsidiary of Richmond Fellowship. It is incorporated as a private company limited by guarantee under the Companies Act 2006 in England, number 02427100. It is also a registered charity, number 1014305. Its registered office is 236 Bristol Road, Birmingham, B5 7SL.

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

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

2. Accounting policies

Basis of preparation
The financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Housing SORP 2018 "Statement of Recommended Practice for Registered Social Housing Providers" and comply with The Accounting Direction for Private Registered Providers of Social Housing April 2019.

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

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

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

Basis of consolidation
The Group consolidated financial statements include the financial statements of the company and its subsidiary undertaking.

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

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

Any entities which either become, or cease being, subsidiary undertakings during the year are included up to, or from, the dates of change of control, respectively.

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

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

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

Notes to the accounts (continued)

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

Going concern
The financial statements have been prepared on the going concern basis which the directors consider to be appropriate for the following reasons.

An assessment of the potential financial impact of COVID-19 was undertaken at the beginning of the year and we carried out scenario testing looking at income reduction from our Social Enterprises, and potential changes in operating costs affecting spends on PPE's and hygiene cleaning. Other scenario testing included subjective judgments including increased rent arrears, delayed rent collection and increased voids. In making these assessments, we also considered the potential mitigations available to manage the potential impact on cashflow affecting the financial viability of the business. A 2020/21 budget addendum was presented to the Board for approval which included these scenarios and mitigations. The assessment demonstrated the financial impact could be managed within the approved budget and gave assurance we had sufficient liquidity to manage the financial risks. In addition, the Board:

- introduced forecasting as part of the monthly reporting cycle
- introduced a twelve-month rolling cash flows forecast, which was regularly reviewed by Group Leadership Team and the Board.
- applied a 'golden rule' where cash reserves must remain within a minimum uncommitted cash reserves of £6 million, being £5million for the company and £1 million for Aquarius.

The Group has no loan commitments or operates within restrictive financial covenants,

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

On this basis, the Board has reasonable expectations that the Group and company have adequate resources to continue the operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

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

(a) Critical judgements

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

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

Housing property impairments
Value in use is based on either future cash flows or, for assets held for their service potential, depreciated replacement cost. The assessment of whether an asset is held for its service potential is a matter of judgement and in making that judgement the Board considers the current use of the asset and the expected future use of the asset. If the asset is unable to be let in its current condition or is not being used for a social purpose, either now or in the foreseeable future, it is assessed as not being held for its service potential. Value in use for assets held for their service potential is assessed as the depreciated replacement cost which is the lower of (a) the cost of purchasing an equivalent property on the open market; and (b) the land cost plus the rebuilding cost of the structure and components. The Group has no history of acquiring or selling properties from or to other registered providers and the Board considers that there is no active market..

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

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

(b) Key accounting estimates and assumptions

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

Defined benefit pension scheme
The cost of defined benefit pension scheme plans are determined using actuarial valuations. The actuarial involves making assumptions about discount valuation rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and long-term nature of these plans, such estimates are subject to considerable uncertainty and the Group relies on the expert input of actuaries. Further details of the assumptions made are provided in Note 9.

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

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

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

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

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

Revenue recognition

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

Income is recognised as follows:

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

Donated assets and services which would otherwise have been purchased are included at the estimated expenditure which has been avoided as a result of the gift. Other donated assets and services are recognised at the fair value of the asset or service received.

Donations received for funding capital assets are recognised as revenue in the statement of comprehensive income when the recognition criteria above are met. If the related properties are disposed of, or cease to be used for the approved purpose, the donations may become repayable in which case the liability is recognised when the related asset is disposed of or when it ceases to be used for the approved purpose.

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

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

<u>Short term benefits</u>
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.

<u>Defined contribution pension plan</u>
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.

<u>State plan</u>
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.

<u>Defined benefit pension plan</u>
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'.

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

Financial instruments

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

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

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

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

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

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

Managed properties

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

Housing and other properties used for social purposes

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

Properties in the course of construction are not depreciated.

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

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

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

Other tangible fixed assets

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

Office premises	1%
Motor vehicles	25%
Plant & machinery	25%
Furniture	25%
Computer, IT & other office equipment	33.3%
Computer software	10%

Intangible fixed assets

Intangible assets solely arise on entity combinations and comprise goodwill arising on acquisitions of incoming subsidiaries. The goodwill was fully impaired in prior periods.

Inventories

Inventories are stated at cost less provision for impairment losses.

Impairment of non-financial assets

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

Assets not used for social purposes

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

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

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

Assets used for social purposes, including housing and other properties

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

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

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

Government grants (social housing grants- SHG)

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

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

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

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

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

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

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

Current asset investments

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

Operating leases

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

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

Cash and cash equivalents

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

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

Provisions

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

Value Added Tax

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

Taxation

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

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

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

Group	2021			2020		
	Turnover	Operating expenditure	Operating Surplus (Deficit)	Turnover	Operating expenditure	Operating Surplus (Deficit)
	£000	£000	£000	£000	£000	£000
Social housing activities						
Social housing lettings *(note 4)*	8,713	7,138	1,575	8,577	6,560	2,017
Other social housing activities						
Supporting people contract income	15,371	16,141	(770)	16,564	17,648	(1,084)
	24,084	**23,279**	**805**	**25,141**	**24,208**	**933**
Activities other than social housing activities						
Registered nursing home lettings	924	1,590	(666)	834	1,271	(437)
Crisis Houses	1,610	1,702	(92)	1,531	1,685	(154)
Community based projects	18,222	17,476	746	18,369	18,996	(627)
Leased to third party providers	237	7	230	127	27	100
Other	190	856	(666)	260	337	(77)
Non-recurring items *(note 6)*	-	-	-	-	565	(565)
	21,183	**21,631**	**(448)**	**21,121**	**22,881**	**(1,760)**
TOTAL	**45,267**	**44,910**	**357**	**46,262**	**47,089**	**(827)**
Surplus on disposals of fixed assets			**433**			-
COVID-19 Job Retention Scheme Income			**295**			-
Operating surplus / (deficit)			**1,085**			**(827)**

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

Company	2021			2020		
	Turnover	Operating expenditure	Operating Surplus (Deficit)	Turnover	Operating expenditure	Operating Surplus (Deficit)
	£000	£000	£000	£000	£000	£000
Social housing activities						
Social housing lettings *(note 4)*	8,713	7,138	1,575	8,577	6,560	2,017
Other social housing activities						
Supporting people contract income	15,371	16,141	(770)	16,564	17,648	(1,084)
	24,084	**23,279**	**805**	**25,141**	**24,208**	**933**
Non-social housing activities						
Registered nursing home lettings	924	1,590	(666)	834	1,272	(438)
Crisis Houses	1,610	1,702	(92)	1,531	1,687	(156)
Community based projects	12,675	12,297	378	13,090	13,487	(396)
Leased to third party providers	237	7	230	127	27	100
Other	191	806	(615)	252	323	(71)
Non-recurring items *(note 6)*	-	-	-	-	565	(565)
	15,637	**16,402**	**(765)**	**15,834**	**17,360**	**(1,526)**
TOTAL	**39,721**	**39,681**	**40**	**40,976**	**41,569**	**(593)**
Surplus on disposals of fixed assets			**433**			-
COVID-19 Job Retention Scheme Income			**187**			-
Operating surplus / (deficit)			**660**			**(593)**

4. Particulars of income and expenditure from social housing lettings

GROUP AND COMPANY

	2021	2020
Supported housing	**Total**	**Total**
	£000	**£000**
Rent receivable net of service charges	4,322	4,275
Service charge income	4,293	4,211
Net rental income	**8,615**	**8,486**
Government grants taken to income		
Amortised government grants	98	91
Turnover from social housing lettings	**8,713**	**8,577**
Operating expenditure		
Housing management	1,110	1,147
Service charge cost	2,278	2,355
Routine maintenance	91	96
Planned maintenance	68	43
Major repairs expenditure	724	220
Bad debts	342	102
Property lease charges	2,088	2,070
Depreciation of housing properties and associated fixtures, fittings and equipment	437	527
Operating expenditure on social housing lettings	**7,138**	**6,560**
Surplus on social housing lettings (as per note 3)	**1,575**	**2,017**
Void losses (deducted from rent above)	**900**	**1,079**

In 2020/21 we operated a registered Nursing Home and a number of residential crisis services, none of which is considered to be social housing (and not provided with the support of social housing grant) and as such are excluded from all of the data contained within this note.

The Nursing Home ceased to operate towards the end of the year. Income and expenditure reflects all social housing provided by Richmond Fellowship, irrespective of the intensity of support given as part of the service provision.

5. Leases

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

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

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

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

	2021	2021	2020	2020
	Group	**Company**	**Group**	**Company**
	£000	**£000**	**£000**	**£000**
Rents due within one year	121	121	105	105
Rents due between one and five years	81	81	112	112
Rents due after five years	-	-	-	-
Total	**202**	**202**	**217**	**217**

6. Non-recurring items

	2021	2021	2020	2020
	Group	**Company**	**Group**	**Company**
	£000	**£000**	**£000**	**£000**
Old Moat Garden Centre impairment charge	-	-	565	565
Total	-	-	**565**	**565**

7. Key management emoluments

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

The emoluments of the directors / key management were as follows:	**2021 Group £000**	**2021 Company £000**	**2020 Group £000**	**2020 Company £000**
Emoluments (including pension contributions and benefits in kind)				
Executive staff	611	553	649	524
Non-executive directors	64	64	61	61
	675	**617**	**710**	**585**
Employers national insurance	72	65	72	61
	747	**682**	**782**	**646**
Emoluments paid to the highest paid Director				
(excluding pension contribution, including benefits in kind)	**124**	**124**	**123**	**123**
Pension contributions for the highest paid director	**8**	**8**	**8**	**8**

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

	2021 Group £000	**2021 Company £000**	**2020 Group £000**	**2020 Company £000**
Directors' emoluments, as defined by the Companies Act 2006	**529**	**529**	**498**	**498**

Five (2020 – four) executive directors were members of the defined contribution pension scheme.

8. Employee information

Average number of employees employed during the year:

Full time equivalents	**2021 Group No.**	**2021 Company No.**	**2020 Group No.**	**2020 Company No.**
Office Staff	115	106	117	108
Service Staff	977	838	1,048	903
Total staff	**1,092**	**944**	**1,165**	**1,011**

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

Actual employees	**2021 Group No.**	**2021 Company No.**	**2020 Group No.**	**2020 Company No.**
Office Staff	119	109	120	110
Service Staff	1,263	1,108	1,331	1,167
Total staff	**1,382**	**1,217**	**1,451**	**1,277**

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Wages and salaries	26,788	23,119	26,329	22,800
Redundancy costs	116	116	116	75
Social security costs	2,165	1,868	2,182	1,888
Other pension costs	1,156	953	1,143	935
Total	**30,225**	**26,056**	**29,770**	**25,698**

During the year 21 people (2020 – 54) were made redundant. Wages and salaries include £34k for payment in lieu of notice (2020 - £71k) for a further 15 employees and no ex-gratia payments (2020 - £7k / 4 employees). Non-contractual payments are made on an exceptional basis only and are individually approved by the Group Leadership Team.

The full-time equivalent number of staff receiving remuneration (including pension scheme contributions) in the following bands is as follows:

Staff Remuneration Bandings	2021 Group No.	2021 Company No.	2020 Group No.	2020 Company No.
£130,001 to £140,000	1	1	1	1
£110,001 to £120,000	-	-	1	-
£100,001 to £110,000	-	-	1	1
£90,001 to £100,000	2	2	-	-
£80,001 to £90,000	-	-	-	-
£70,001 to £80,000	3	3	3	3
£60,001 to £70,000	-	-	1	1
Total staff	**6**	**6**	**7**	**6**

Pension costs are analysed as follows:

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Defined contribution schemes, including contributions to state schemes accounted for as defined contribution pension schemes	1,093	890	1,070	862
Defined benefit schemes – current service costs	63	63	73	73
	1,156	**953**	**1,143**	**935**

9. Post-employment benefits

NHS Pension Scheme

The Group is an admitted body to the NHS Pension Scheme. The Group's contribution in 2021 was £41k (2020: £58k) and the total number of employees participating in the scheme at the end of the year was 12 (2020: 13). The Group has no on-going employer's liability in respect of this scheme other than to fulfil annual contribution obligations for members whilst they are employed by the Group. This scheme is accounted for as a defined contribution scheme as the scheme actuary is unable to provide any details of the notional assets and liabilities attributable to the Group. More details regarding the scheme are available from the NHS Pensions website.

2Care Pension & Life Assurance Scheme

RF operates a defined benefit scheme, the 2Care Pension & Life Assurance Scheme. The assets of the fund are held in a separate trustee administered fund. Contributions to the scheme are assessed with the advice of a qualified actuary on the basis of valuations using the projected unit method. Future employer contributions to the scheme have been agreed as being 26.95% (2020 – 26.95%) of pensionable salaries plus life assurance costs. Future employee contributions have been agreed as 8.45% (2020 – 8.45%) of pensionable salaries. The fund is now closed to new entrants and as a closed scheme it is likely that the future contribution rates will increase.

A comprehensive actuarial valuation of the fund was carried out at 31 March 2019 by an independent actuary and updated at 31 March 2021 by a qualified actuary. Adjustments to the valuation at that date have been made based on the following assumptions:

	2021	2020
	% per annum	**% per annum**
Inflation	3.20	2.60
Salary increases	3.20	2.60
Rate of discount	2.20	2.30
Pension in payment increases - pre 97 accrual	3.20	2.60
Pension in payment increases - post 97 accrual	3.20	2.60
Revaluation rate for deferred pensioners – RPI	3.20	2.60
Revaluation rate for deferred pensioners – CPI	2.60	2.20
Expected return on assets	2.20	2.40
Mortality assumptions:	**Years**	**Years**
Longevity at age 65 for current pensioners		
Men	22.1	22.1
Women	23.8	23.8
Longevity at age 65 for future pensioners		
Men	23.4	23.4
Women	25.4	25.3

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Total
	£000	£000	£000
At April 2019	**9,006**	**(7,738)**	**1,268**
Benefits paid	(49)	49	-
Employer contributions	42	-	42
Employees Contributions	13	(13)	-
Current service cost	-	(73)	(73)
Interest income / (expense)	-	(186)	(186)
Actuarial losses:			
Return on plan assets excluding interest income	216	-	216
Actuarial gains / (losses)	(656)	578	(78)
At April 2020	**8,572**	**(7,383)**	**1,189**
Benefits paid	(100)	100	-
Employer contributions	34		34
Employees Contributions	11	(11)	-
Current service cost	-	(63)	(63)
Interest income / (expense)	-	(170)	(170)
Actuarial losses:	-	-	-
Return on plan assets excluding interest income	197	-	197
Actuarial gains / (losses)	1,335	(1,315)	20
At 31 March 2021	**10,049**	**(8,842)**	**1,207**
Unrecognised deficit			(669)
Net assets at 31 March 2021			**538**

The unrecognised deficit as at 31 March 2021 was £669k (2020: £741k).

Amounts recognised in income and expenditure are as follows:

	2021	2020
	£000	£000
Current service costs	63	73
Financial income	(10)	(18)
Total	**53**	**55**

Amounts recognised in other comprehensive income are as follows:

	2021	2020
	£000	£000
Return on plan assets excluding interest	1,335	(656)
Experience gains and losses arising on plan liabilities	83	(540)
Effects of changes in assumptions affecting plan liabilities	(1,398)	1,118
Effects of changes in the amounts of the surplus that is not recoverable	89	(213)
Total	**109**	**(291)**

Plan assets are invested as follows:

	2021 £000	2020 £000
Equities	881	947
Diversified Growth Funds	6,709	5,288
Liability Driven Investment	2,459	2,309
Cash	-	28
Total	**10,049**	**8,572**

10. Interest receivable and financial income

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Interest receivable on deposits	5	4	48	38
Listed investment income	141	141	145	145
Net return on post-employment benefits	10	10	18	18
Total	**156**	**155**	**211**	**201**

11. Interest and financing costs

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Recycled capital grant fund interest	**0.2**	**0.2**	**1**	**1**

12. Surplus / (deficit) for the year

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Depreciation and impairment of tangible owned fixed assets	1,200	1,126	1,695	1,693
Auditor's remuneration: (Excluding VAT)				
Audit of Group Annual Accounts	59	59	64	64
Audit of Group Subsidiary Accounts	15	-	15	-
Operating Leases				
Receivables from non-cancellable operating leases	121	121	169	169
Payments under non-cancellable operating leases	389	389	335	335
Rents payable under property licenses	2,291	2,158	2,228	2,228
Surplus / (deficit) on disposal of fixed assets				
Net proceeds from the sale of fixed assets	1,190	1,190	-	-
Less: net book value of assets sold	(757)	(757)	-	-
Less: capital grant recycled	-	-	-	-
Total surplus on disposal	**433**	**433**	-	-

13. Housing and other properties used for social purposes

GROUP	Social Housing Properties £000	Nursing Homes £000	Crisis Houses £000	Day / Garden Centres* £000	Total £000
Cost:					
At 1 April 2020	24,647	1,195	2,239	951	29,032
Additions: existing properties	95		554		649
Additions: components	117	-	-	-	117
Disposals: components	(876)	(35)	-	-	(911)
At 31 March 2021	**23,983**	**1,160**	**2,793**	**951**	**28,887**
Depreciation:					
At 1 April 2020	3,871	216	77	31	4,195
Charge for the year	324	11	26	10	371
Disposals: components	(100)	-	-	-	(100)
At 31 March 2021	**4,095**	**227**	**103**	**41**	**4,466**
Net Book Value					
At 31 March 2021	**19,888**	**933**	**2,690**	**910**	**24,421**
At 31 March 2020	**20,776**	**980**	**2,162**	**919**	**24,837**

*The opening balance for Day / Garden Centres from the prior year has been restated by £544k and there is no impact on surplus for the prior or current year or net assets brought forward

COMPANY	£000	£000	£000	£000	£000
Cost:					
At 1 April 2020	22,492	1,195	2,239	951	26,877
Additions: existing properties	95	-	554	-	649
Additions: components	117	-	-	-	117
Component write-offs	(876)	(35)	-	-	(911)
At 31 March 2021	**21,828**	**1,160**	**2,793**	**951**	**26,732**
Depreciation:					
At 1 April 2020	3,477	215	76	31	3,799
Charge for the year	324	11	27	10	372
Accelerated Depreciation	(100)	-	-	-	(100)
At 31 March 2021	**3,701**	**226**	**103**	**41**	**4,071**
Net Book Value					
At 31 March 2021	**18,127**	**934**	**2,690**	**910**	**22,661**
At 31 March 2020	**19,015**	**980**	**2,162**	**919**	**23,076**

Housing and other properties used for social purposes at cost comprise:	2021 Group	2021 Company	2020 Group	2020 Company
Net book value	£000	£000	£000	£000
Freehold	19,083	17,322	19,943	18,183
Long Leasehold	804	804	834	834
	19,887	**18,126**	**20,777**	**19,017**

14. Other tangible fixed assets

GROUP	Freehold Office Premises £000	Leasehold Office Premises £000	Motor Vehicles £000	Information Systems £000	Fixtures, Fittings & Equipment £000	Total £000
Cost						
At 1 April 2020	2,809	985	62	2,872	1,006	7,734
Additions in year	-	-	12	1,176	60	1,248
Disposals during the year	-	-	(2)	(12)	(36)	(50)
At 31 March 2021	**2,809**	**985**	**72**	**4,036**	**1,030**	**8,932**
Depreciation						
At 1 April 2020	471	360	60	1,070	836	2,797
Charge for the Year	21	6	3	686	112	828
Disposals during the year	-	-	(2)	(2)	(34)	(38)
At 31 March 2021	**492**	**366**	**61**	**1,754**	**914**	**3,587**
Net Book Value						
At 31 March 2021	**2,317**	**619**	**11**	**2,282**	**116**	**5,345**
At 31 March 2020	**2,338**	**625**	**2**	**1,802**	**170**	**4,937**

COMPANY	Freehold Office Premises £000	Leasehold Office Premises £000	Motor Vehicles £000	Information Systems £000	Fixtures, Fittings & Equipment £000	Total £000
Cost						
At 1 April 2020	2,219	492	56	2,540	843	6,150
Additions in year	-	-	12	1,161	59	1,232
Disposals during the year	-	-	(2)	(12)	(35)	(49)
At 31 March 2021	**2,219**	**492**	**66**	**3,689**	**867**	**7,333**
Depreciation						
At 1 April 2020	353	56	54	981	684	2,128
Charge for the year	18	5	3	622	106	754
Disposals	-	-	(2)	(2)	(34)	(38)
At 31 March 2021	**371**	**61**	**55**	**1,601**	**756**	**2,844**
Net Book Value						
At 31 March 2021	**1,848**	**431**	**11**	**2,088**	**111**	**4,489**
At 31 March 2020	**1,866**	**437**	**2**	**1,559**	**158**	**4,022**

15. Intangible fixed assets

Group and Company	Goodwill £000	Total £000
Cost		
At 1 April 2020 and 31 March 2021	526	526
Amortisation and impairment		
At 1 April 2020 and 31 March 2021	526	526
Net Book Value:		
At 31 March 2021 and 31 March 2020	**-**	**-**

16. Inventories

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Consumables	129	128	116	113

17. Trade and other receivables

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Trade debtors	5,689	5,122	5,628	4,900
Less: Provision for bad debts	(806)	(806)	(979)	(979)
	4,883	**4,316**	**4,649**	**3,921**
Prepayments & accrued income	1,562	1,493	2,083	1,972
Amounts due from subsidiary undertaking	-	13	-	20
Other Debtors	12	11	14	11
	6,457	**5,833**	**6,746**	**5,924**

18. Current asset investments

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Investments listed on recognised stock exchange	3,798	3,798	3,168	3,168
At 31 March 2020	**3,798**	**3,798**	**3,168**	**3,168**

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

19. Creditors: Amounts falling due within one year

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Trade creditors	726	707	1,446	1,270
Other creditors	253	226	139	114
Accruals & deferred income	3,768	3,281	1,882	1,668
PAYE, taxes & social security costs	607	532	537	474
Social housing grants (Note 22)	97	97	102	102
Other government grants (Note 22)	18	18	18	18
Recycled Capital Grants Fund (RCGF) (Note 21)	814	814	485	485
	6,283	**5,675**	**4,609**	**4,130**

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

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Recycled Capital Grants Fund (Note 21)	-	-	356	356
Social housing grants (Note 22)	6,918	6,918	7,023	7,023
Other government grants (Note 22)	912	912	907	907
Total	**7,830**	**7,830**	**8,286**	**8,286**

21. Recycled capital grant fund – Group and Company

	2021 RSH £000	2020 RSH £000	2021 GLA £000	2020 GLA £000	2021 Total £000	2020 Total £000
Balance at 1 April 2020	470	470	371	371	841	841
Recycled on property disposal	-	-	-	-	-	-
Repayments	-	-	(27)	-	(27)	-
Interest	-	-	-	-	-	-
Balance at 31 March 2021	**470**	**470**	**344**	**371**	**814**	**841**
Amounts repayable within one year	470	457	344	27	814	485
Amounts due over 1 year	-	12	-	344	-	356
Total	**470**	**469**	**344**	**371**	**814**	**841**

The balance with the GLA is £344k and relates to a grant released by the sale of Trelawn in the London Borough of Croydon. This will be repayable at 31 March 2022 if an alternative investment has not been approved by the regulator.

The balances with Homes England relate to grants released by the sales of Irving Road in Bournemouth and Feversham Crescent in York. The former is now due for repayment, but we intend to apply to recycle this grant towards the purchase of a premises in the same geographical area. The £12k balance that relates to the York property is due for repayment at 31 March 2022.

22. Government grants

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

	2021	2021	2020	2020
	Group	Company	Group	Company
	£000	£000	£000	£000
Grants credited to Income & Expenditure	3,119	3,119	3,014	3,014
Deferred grants (Notes 19 & 20) – Social Housing Grants	7,045	7,045	7,143	7,143
Deferred grants (Notes 19 & 20) – Other Government Grants	912	912	907	907
Total	**11,076**	**11,076**	**11,064**	**11,064**

23. Transfers between reserves

	2021	2021	2020	2020
	Group	Company	Group	Company
	£000	£000	£000	£000
Movement in restricted funds				
Net (income) / expenditure of restricted funds for the year	823	397	31	253
Restricted reserves formerly held by CAN and Croftlands Trust	(488)	(488)	-	-
Re-gifted donation to Isle of Wight	(193)	(193)	-	-
Movement in restricted funds	**142**	**(284)**	**31**	**253**
Movement in designated funds				
Transfer to / (from) maintenance fund	(198)	(198)	90	91
	(198)	**(198)**	**90**	**91**
Movement in revaluation reserve				
Net revaluation (loss) / gain	**630**	**630**	**(290)**	**(290)**
Movement in pension scheme reserve				
Net movement in recognised pension scheme asset	**(19)**	**(19)**	**(13)**	**(13)**
Total transfer to / from general fund	**555**	**129**	**(182)**	**41**

24. Restricted reserves

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Mental illness services to be provided in Cumbria (formerly held by Croftlands Trust)	1,776	1,776	2,263	2,263
Alcohol, drugs and gambling Services				
- Held by Aquarius Action Projects	4,125	-	3,699	-
- Other (formerly held by CAN)	758	758	758	758
Sundry	16	16	16	16
BIG Lottery	29	29	29	29
Employment services	1,057	1,057	798	798
IOW Association for Mental Health	-	-	193	193
Other small items	170	170	33	33
	7,931	**3,806**	**7,789**	**4,090**

On 30 September 2015, the trustees of the Isle of Wight Association for Mental Health (company 7739722; charity 1145283) entered into a Deed of Gift for its entire assets, to RF. The gift was specifically intended to benefit people on the Isle of Wight to contribute towards the further development of mental health services locally. The value of the gift was £193,456.

In April 2019 we were informed that we had been unsuccessful in retaining our commissioned services on the Isle of Wight and service provision ceased on 1 September 2019. As we were no longer able to spend the funds in accordance with the restriction, an onward Deed of Gift was signed on 7 October 2020, replicating the obligations placed on us, in favour of the Isle of Wight NHS Charitable Fund (charity 1049606) who are well placed to deliver the improvement commitments in accordance with the restriction.

25. Designated reserves

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Maintenance	184	-	382	198

26. Other reserves

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

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

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

27. Other commitments

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

	2021	2021	2020	2020
	Group	Company	Group	Company
	£000	£000	£000	£000
Within one year	428	385	454	412
Two to five years	213	212	363	321
More than five years	473	473	531	489
	1,114	**1,070**	**1,348**	**1,222**

In addition to the above commitments, the group also occupies various properties under licence. Although the licences can be cancelled with minimal notice by either party, it is expected that the majority of licences will continue. The expected payments under such licences for both the group and the company is estimated as being £2.16 million (2020 - £2.25 million).

28. Accommodation in management

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

	2021		2020	
	Owned	Managed	Owned	Managed
	No.	No.	No.	No.
Social Housing				
Supported Housing	264	399	270	410
Residential Care Homes	79	26	80	26
Total Social Housing	**343**	**425**	**350**	**436**
Non Social Housing				
Nursing Homes	-	-	17	-
Total Units in Management	**343**	**425**	**367**	**436**

29. Financial instruments

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

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Financial assets held at fair value	3,798	3,798	3,168	3,168

Included in profit and loss are the following amounts:

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Interest income on financial assets held at amortised cost	5	4	48	35
Interest expense on financial liabilities held at cost	-	-	1	1
Income from assets held at fair value through profit and loss	156	155	213	201
Change in value of assets held at fair value through profit and loss	630	630	(289)	(289)

30. Subsidiary undertaking

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

31. Related party transactions

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

Overhead recharges from the charity to:	**2021 £000**	**2020 £000**
To Aquarius Action Projects	296	296
From Aquarius Action Projects	(66)	(160)
Total	**230**	**136**

All transactions are charged at cost. Such costs are either direct or are apportioned based on estimated staff time. The total overheads subject to apportionment were £5,521k (2020: £5,786k).

32. Reconciliation of surplus / (deficit) for the year to net cash used in operating activities

	2021	2020
	£000	£000
Surplus / (deficit) for the year	1,871	(906)
Movement on fair value of investments	(630)	289
(Surplus) on disposal of fixed assets	(433)	-
Net Interest (received)	(156)	(210)
Operating surplus / (deficit)	**652**	**(827)**
Depreciation and impairment charges	1,252	1,716
Pension net service cost	29	44
Movement in debtors	289	2,742
Movement in creditors	1,219	(674)
Movement in inventories	(13)	(13)
Net cash inflow from operating activities	**3,428**	**2,987**