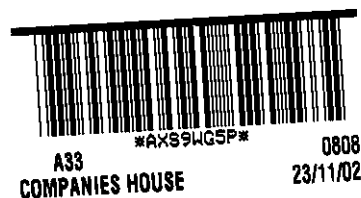


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Residential and Community
Care for people in need.

**Annual Report of Trustees
and
Financial Statements
March 2002**



Caring for People

www.kcht.org.uk

01634 869880

Kent Community Housing Trust "KCHT"



Established 1990

Bridgewood House, 8 Laker Road, Rochester, Kent ME1 3QX
A Company Limited by Guarantee (Registration No 2565021, England)
A Registered Charity (Registration No 1002727)
Telephone: 01634 869880 Fax: 01634 869824
E-mail: KCHT@kcht.org.uk
Internet: www.kcht.org.uk

OUR AIM

Is to

☞ provide care and support to people in need through services which:

are flexible and affordable
meet the needs of people as individuals
enhance dignity and promote independence
develop opportunities for fulfilled lives

☞ invest in our staff to fully develop their skills and potential
☞ work in partnership with others to meet local needs
☞ sustain a financial sound charity

by

☞ seeking to provide equality of opportunity to all
☞ focusing on the interests of those needing our care and support
☞ enabling people to take full advantage of their skills, talents and abilities
☞ listening and learning to continually enhance our services
☞ achieving the best value from our resources
☞ working to high professional standards

Kent Community Services Ltd 'KCSL'
Bridgewood House, 8 Laker Road, Rochester, Kent ME1 3QX
A Company Limited by Guarantee (Registration No 2565021, England)
A Registered Charity (Registration No 1002727)
Telephone: 01634 869880 Fax: 01634 869824
E-mail: kcs@kcht.org.uk
'KCSL' is a wholly owned and controlled subsidiary of 'KCHT'

KENT COMMUNITY HOUSING TRUST

REPORT OF THE TRUSTEES

1 April 2001 to 31 March 2002

The Trust is a company limited by guarantee and a registered charity, controlled by a Board of Trustees acting as Non-Executive Directors of the Company.

The Memorandum and Articles of Association provide for a minimum of 6 and a maximum of 18 Trustees.

The Financial Statements for the year ending 31 March 2002 are prepared on a consolidated basis to include the activities of Kent Community Services Ltd, a wholly-owned and controlled non-charitable subsidiary Company Limited by Guarantee of the Trust.

1 Governance

At the commencement of the financial year there were 10 Trustees. During the year Cllr M Devaux (October 2001) and Dr B Ramsammy (March 2002) resigned as Members and Trustees. Mr R Pickett (June 2001), Mrs J Loudon (June 2001), Mrs A Cottrell (October 2001) and Mr C Villiers (October 2001) were appointed as Members and Trustees. At the end of the year there were 13 Trustees.

During the year the Board of Trustees met on four occasions in addition to the Annual General Meeting. The Board is supported in its work by the:

- Finance and General Purposes Committee (which met on four occasions)
- Care Committee (which met on four occasions)
- Development Committee (which met on four occasions)
- Board of Directors of Kent Community Services Limited (which met on four occasions).

It is through the Board of Trustees and these Committees that the activities of Kent Community Housing Trust are controlled.

Day to day responsibility for the management of the Trust's business is delegated to the Chief Executive, who is the Company Secretary and principal adviser to the Board of Trustees, working with the Management Team. The Management Team of five increased to six during the year with the addition of the Director, Kent Community Services Ltd. The Director, Corporate Services and Deputy Chief Executive resigned in April 2001 and the Company Accountant was promoted to Head of Finance and joined the Management Team. The Management Team comprises:

- the Chief Executive and Company Secretary
- the Head of Finance
- the Head of Residential Services
- the Head of Community Services.
- the Head of Development
- the Director, Kent Community Services Ltd

The Board continually keeps under its review its membership and the breadth of skills and expertise required to ensure proper governance. The Board has resolved to seek additional

Trustees representing the work of the Trust in Bexley and Greenwich. It hopes that such representation will be confirmed during 2002/2003.

2 Statement of Trustees' Responsibilities

Company Law and Charity Law require Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs and the surplus or deficit for that period. In preparing such statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are responsible and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements
- Prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The Trustees are responsible for keeping proper accounting records which disclose - with reasonable accuracy at any time - the financial position of the Trust and enable them to ensure that the Financial Statements comply with the Companies Act 1985 and the requirements of the Charity Commissioners in relation to accounting for charities. They are also responsible for safeguarding the assets of the Trust and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees have conducted a comprehensive Risk Management Assessment during the year and agreed strategies to ensure that appropriate measures are in place to manage those risks and that they are regularly reviewed.

3 Principal Activities

3.1 KCHT Care Homes

We care for more than 1,000 older people in our 22 Care Homes together with a further 359 additional older people receiving Respite Care and Day Care. The greater number of our residents have high dependency needs resulting from dementia or Alzheimers.

The demand for our services continues to remain very high with average occupancy rates for the year exceeding 96%.

The Government's initiative of enabling the elderly to remain in their own homes for a longer period of time has resulted, as expected, in new residents having very much higher dependency needs and shorter stays within our care homes than was the situation in previous years.

The majority of our residents and clients are sponsored by Social Services Departments who continue to face considerable financial constraints. However, during 2001 we were able to attract higher levels of funding to more closely match the dependency needs of residents, which improved the resources available to us to enhance our services.

The Trust remains a preferred provider for the care of older people with Kent County Council, Medway Council, Bexley Council and the London Borough of Greenwich. In addition, we are commissioned by a variety of other Local Authorities to provide services to individual residents.

3.2 KCHT Care at Home

Our Care at Home service continues to support more than 400 older people and people with disabilities in their own homes. The Trust remains a preferred supplier of such services with Kent County Council.

Our New Outlooks service continues to provide community support to a small number of adults with a learning difficulty who have established and are maintaining their first homes.

3.3 KCHT Moving Forward

Our service for vulnerable young people supported more than 1000 young people in difficulties during 2001/2002.

In addition to funding from a variety of statutory sources, we have benefited from the additional sources of finance such as:

European Social Fund
Interreg II
SRB Funding
Learning & Skills Council

An important development in 2001 was our ability to apply for Transitional Housing Benefit/ Supporting People Grant for young people experiencing difficulties. Significant progress was made in these grant applications, which are foreseen as a useful means of finance to support the work of Moving Forward in the years to come.

KCHT Breakthrough is a mediation service operated through Moving Forward for young people aged 8 to 16 years of age and their families. This service has grown significantly during 2001/2002 with funding from Social Services and the Childrens Fund enabling new services to be developed in Thanet, Folkestone, Dover, Swale and Tonbridge/Tunbridge Wells.

3.4 Finding Your Feet

Our service for unaccompanied minors entering the country as asylum seekers continued to grow during 2001/2002. In March 2001 we were supporting some 600 young people. By March 2002 this had increased to almost 900 young people.

This service is fully funded by Kent County Council Social Services under their obligations under the Childrens Act.

4 Quality Management

Our objective during 2001/2002 was to extend our Quality Management Systems, building on our ISO 9002 Accreditation for our care homes, and this has been successfully accomplished with the accreditation of KCHT Care at Home and KCHT Moving Forward.

The Trust holds accreditation under Investors in People.

5 Business Plan

Our 5-Year Business Plan was agreed in March 2000 and remains the framework and vision to guide our work until March 2005.

Our Business Plan 2000/2005 focuses on:

- (i) Extending our Quality Assurance Management Systems to encompass the whole organisation by 2005.
- (ii) Continuing to concentrate on enhancing and developing our services to meet the specialist needs of vulnerable people.
- (iii) Seeking to add value to our services wherever possible, particularly by enhancing and developing the work of volunteers within the Trust.
- (iv) Continuing to work in partnership with other organisations and agencies wherever this can be seen to be beneficial to those using our services.

- (v) Sustaining and developing a flexible staff establishment and continuing our work to provide opportunities for all of our staff to achieve accredited recognition of their skills.
- (vi) Containing overhead costs to below 6% of income, thereby ensuring that the maximum financial resources are employed in delivering care services.
- (vii) Continuing to invest in the Trust's capital assets to ensure that our services provide the facilities required to meet the needs of beneficiaries.
- (viii) Harnessing new and emergent technologies to maximise efficiency and effectiveness.

During 2001/2002 we were able to make further progress against this Business Plan:

- (a) Accreditation was gained for our Bexley Care Homes, Moving Forward and Care at Home under ISO 9002.
- (b) Our increasing concentration on the needs of older people with dementia and Alzheimers, together with the expansion of our Breakthrough service for children and young people, took forward our objective of enhancing and developing our services.
- (c) Accessing new forms of funding, for example the Childrens Fund and Supporting People Grant, has enabled us to work in closer partnership with a variety of other organisations and agencies.
- (d) Our training programme was expanded in 2001/2002 under a service contract with Kent Community Services Limited ("KCSL"). An accreditation as a National Vocational Assessment Centre was gained by KCSL in 2002 to take forward our training programme.
- (e) During 2001 the new regulations for care homes under the Care Standards Act 2000 were published and more detailed work commenced to create a development programme for KCHT care homes to meet these new standards within the required timescale of 2007.

Our Annual Plan for 2002/2003 sets objectives to make further progress on our Business Plan.

6 Review of the Financial Position

Trustees are of the opinion that the financial results for the year ending 31 March 2002 are satisfactory having regard to the challenges which the Trust adequately met during the year.

The financial results showed an improvement in surpluses in 2001/02 of approximately £60,000, an increase of 15%.

Turnover increased by 16% to £26.5 million, which mainly reflects the growth experienced in the Finding Your Feet service.

Total resources expended also increased by 16% over the previous year, 64% of expenditure being on staff costs including training and recruitment. Management and administration costs were 5.6% of turnover compared to 5.8% during the previous year. Trustees aim to keep this figure at or below 6% to ensure that maximum resources can be expended on service provision to service users.

Due to the current development programme, the Bank Loans and Hire Purchase accounts outstanding have increased by £918,000 to £5.53 million. Despite this, finance charges have decreased by £11,000 due to lower interest rates on variable loans and a reduced margin negotiated with Barclays Bank.

7 Reserves Policy

During 2002 we have reviewed the cash reserves policy, bearing in mind that as a charitable organisation, our primary stakeholders are our beneficiaries and our financial objectives are to maximise the value to those beneficiaries.

The Trust needs to ensure that it has adequate reserves in order that it can continue to care for and support service users in unforeseen circumstances should funding temporarily cease.

Having considered income variability and risks relating to income as well as financial obligations and their flexibility, Trustees agreed that our policy should be to hold reserves of one month's expenditure which, based on the 2002/03 budget would be £2.25 million.

The Charity SORP definition of reserves excludes amounts which could only be realised on disposal of assets used by the Charity to carry out its activities. Using this definition, at the end of the year the Trust holds no cash reserves and therefore aims to build reserves to the level of £2.25 million over a number of years.

8 Risk Assessment

The Board of Trustees has made an assessment of the risks to which the Trust is exposed, taking into account financial, operational and regulatory risks.

An assessment was made of the current measures in operation to mitigate risks. These include business planning, performance data, internal audits maintenance programmes and quality systems. It was agreed that appropriate measures are in place although Trustees proposed that some of these measures be enhanced.

Reviewing risk is an ongoing part of the governance of the organisation which the Board has agreed to integrate into its meetings.

9 Extraordinary General Meeting

At an Extraordinary General Meeting on 10 June 2002 Trustees resolved amendments to the Memorandum and Articles of Association, which had been approved in advance by the Charity Commission, the principal points of which are:

- (a) To enable the Trust to use a promotional name of "KCHT".
- (b) To extend the objects of the Trust to assist people who are resident or temporarily resident in England and who are of necessitous circumstances or who are suffering some physical or mental illness or disability, and who are elderly, younger people, adolescents or children.
- (c) To enable the Trust to enter into interest rate protection instruments in respect of long-term capital finance where Trustees feel it is appropriate to do so.
- (d) Enabling the Trust to provide insurance indemnity to Trustees and Officers, subject to the limitations normally required by the Charity Commission.
- (e) Simplifying the Membership and Trusteeship qualifications.

Further information on the revised Memorandum and Articles of Association is available from the Chief Executive and Company Secretary.

10 Information About the Trust's Work

The Trust has issued a new edition of "Profile" for 2002 which is available free upon request and gives greater information on the work of KCHT.

11 Accounts and Dividends

The results for the Trust for the year under review are considered to be satisfactory and an increase in the restricted revenue reserves was achieved. The Trust is committed to continually enhancing and developing its services, and the greater part of the operating surplus has been invested, over the year, in improving property, enhancing existing services and developing additional services.

As a charitable company the Trust does not distribute dividends.

12 Going Concern

Within its not for profit objective, and its status as a charity, Trustees consider the Trust to be a continuing going concern. Net current liabilities have reduced significantly and there has been an improvement in liquidity which is anticipated to continue in 2002/2003 as a result of the measures put in place within the Annual Plans for the past two years.

13 Auditors

A resolution will be proposed at the Annual General Meeting on 21 October 2002 that Appleby and Wood be re-appointed Auditors of the Trust for the year ending March 2003.

14 Board of Trustees Trustees 2002

The Lady Northbourne	Chairman
Sir David Berriman CIMgt	Honorary Treasurer
Mr H J Bragg MRPharmS	Deputy Chairman
The Rt Hon The Countess Mountbatten of Burma CBE CD JP DL	
Mr B Bushell	
Mrs M E de Courcy DSC	
Mr A H M de Gelsey CBE DL	
Mr D Tapp	
Mr R Pickett BSc (Econs) FCCA	
Mrs J Loudon	
Mr J Russell	
Mr C Villiers	
Mrs A Cottrell	

15 Non-Executive Directors of Kent Community Services Limited 2002

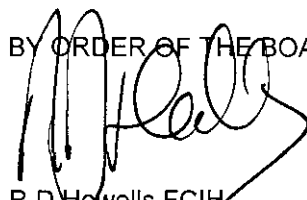
Mr H J Bragg MRPharmS	Chairman
The Lady Northbourne	
Mr B Bushell	
Mr A H M de Gelsey CBE DL	
Mr R D Howells FICH	Chief Executive of KCHT

16 Management Team 2002

Mr R D Howells FCIH	Chief Executive and Company Secretary
Mrs D Pert DMS ACCA	Head of Finance
Mrs S Ellis DMS MCMl	Head of Residential Care Services
Ms E Nicolson DMS CSS	Head of Community Services
Ms T Jones MCIH	Head of Development Services
Mr C Guest MSc	Director – KCSL

The Trustees of Kent Community Housing Trust and the non-Executive Directors of Kent Community Services Limited both act in the voluntary capacity of non-Executive Directors and do not have service contracts nor do they receive any emoluments in connection with those duties.

BY ORDER OF THE BOARD



R D Howells FCIH
Chief Executive and Company Secretary

KENT COMMUNITY HOUSING TRUST
COMPANY LIMITED BY GUARANTEE - NO. 2565021
REGISTERED CHARITY NO. 1002727

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31st MARCH 2002

REGISTERED OFFICE:

Bridgewood House
8 Laker Road
Rochester
Kent ME1 3QX

Adopted at the Annual General Meeting
On 21 October 2002

Independent Auditor's Report to the Members of Kent Community Housing Trust.

We have audited the financial statements of Kent Community Housing Trust for the year ended 31st March 2002 which are set out on pages 1 to 12. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Trustees' Responsibilities, the company's trustees are non-executive company directors, for preparing the financial statements in accordance with applicable law and UK Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

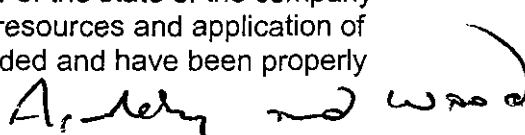
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company and group affairs as at 31st March 2002 and of their incoming resources and application of resources including cashflow of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

21-10-02
3 The Office Village
4 Romford Road
Stratford
London E15 4EA


APPLEBY & WOOD
Registered Auditors

KENT COMMUNITY HOUSING TRUST
CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST MARCH 2002

		GROUP		CHARITY	
	Note	2002	2001	2002	2001
		£	£	£	£
Tangible Fixed Assets	4	15,409,097	14,308,767	15,393,611	14,290,475
Current Assets					
Debtors & Prepayments	5	1,798,131	1,452,996	1,897,896	1,506,257
Short Term Deposits		2,998	2,972	2,998	2,972
Cash at Bank and In Hand		265,063	109,106	224,846	101,030
		<u>2,066,192</u>	<u>1,565,074</u>	<u>2,125,740</u>	<u>1,610,259</u>
Current Liabilities	6	<u>(2,590,782)</u>	<u>(2,356,466)</u>	<u>(2,665,506)</u>	<u>(2,385,025)</u>
Net Current (Liabilities)		<u>(524,590)</u>	<u>(791,392)</u>	<u>(539,766)</u>	<u>(774,766)</u>
Total Assets less Current Liabilities		<u>14,884,507</u>	<u>13,517,375</u>	<u>14,853,845</u>	<u>13,515,709</u>
Long Term Liabilities					
Bank Loan Account		(4,812,297)	(3,996,582)	(4,812,297)	(3,996,582)
Hire Purchase Account		(285,996)	(228,593)	(285,996)	(228,593)
		<u>(5,098,293)</u>	<u>(4,225,175)</u>	<u>(5,098,293)</u>	<u>(4,225,175)</u>
Net Assets		<u>9,786,214</u>	<u>9,292,200</u>	<u>9,755,552</u>	<u>9,290,534</u>

Represented by

Reserves

Revenue Unrestricted	2,297,646	1,792,864	2,266,984	1,791,198
Revenue Restricted	295	11,063	295	11,063
Capital	7,488,273	7,488,273	7,488,273	7,488,273
	<u>9,786,214</u>	<u>9,292,200</u>	<u>9,755,552</u>	<u>9,290,534</u>

Signed by:

The Lady Northbourne, Chairman

Sir David Berriman CIMgt, Honorary Treasurer

R D Howells FCIH, Chief Executive and Company Secretary

D J Pert ACCA, Head of Finance

Adopted at the Annual General Meeting

On 21 October 2002

KENT COMMUNITY HOUSING TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2002

Incoming Resources	Notes	Capital Reserve	Unrestricted Funds	Restricted Funds	2002 Total funds	2001 Total Funds
		£	£	£	£	
Income from Charitable Activities			26,279,644	—	26,279,644	22,464,736
Voluntary Income & Grants			—	187,935	187,935	132,699
National Lotteries Board			—	—	0	20,000
Interest Receivable			20,630	—	20,630	32,483
Other Charitable Income			9,184	—	9,184	68,880
Trading Income			30,102	—	30,102	3,312
Total Incoming Resources			<u>26,339,560</u>	<u>187,935</u>	<u>26,527,495</u>	<u>22,722,110</u>
Resources expended						
Direct Charitable Expenditure	3					
Residential Home Services			15,791,516	—	15,791,516	15,263,193
Care at Home Services			1,244,332	—	1,244,332	1,314,717
Moving Forward (Including expenditure from grants received from National Lotteries Board)			524,804	151,879	676,683	563,829
Finding Your Feet			6,044,082	37,092	6,081,174	3,635,766
			<u>23,604,734</u>	<u>188,971</u>	<u>23,793,704</u>	<u>20,777,505</u>
Other Expenditure	3					
Advertising & Publicity			34,346	—	34,346	24,876
Management & Administration			1,487,471	9,732	1,497,203	1,329,177
Trading Expenditure			708,228	—	708,228	194,146
			<u>2,230,045</u>	<u>9,732</u>	<u>2,239,777</u>	<u>1,548,199</u>
Total Resources Expended			<u>25,834,778</u>	<u>198,703</u>	<u>26,033,481</u>	<u>22,325,704</u>
Net incoming resources for the year			—	504,782	(10,768)	494,014
Fixed Assets for Charity use gained at nil premium			—	—	—	0
Balance Brought Forward at 1 April 2000		7,488,273	1,792,864	11,063	9,292,200	4,105,794
Balance Carried Forward at 31 March 2001		<u>7,488,273</u>	<u>2,297,646</u>	<u>295</u>	<u>9,786,214</u>	<u>9,292,200</u>

All amounts relate to continuing activities

None of the Trust's activities was acquired or discontinued during the above two-year period.

All recognised and unrecognised gains and losses are included in the Statement of Financial Activities.

Adopted at the Annual General Meeting

On 21 October 2002

KENT COMMUNITY HOUSING TRUST
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2001

Net Cash (Outflow)/Inflow from Operating Activities	31.3.2002	31.3.2001
	£	£
Surplus on ordinary activities	494,014	396,406
Depreciation Charge	447,338	384,628
Increase in Debtors	(345,135)	(675,622)
Increase/(Decrease) in Creditors	286,279	1,285,690
	<u>882,496</u>	<u>1,391,102</u>

Financing

Long Term Loan (Repaid)/Received (Net)	821,155	(205,319)
	<u>1,703,651</u>	<u>1,185,783</u>

Investing Activities

Payments to acquire Tangible Fixed Assets (Net)	(1,547,667)	(701,460)
Sale of Tangible Fixed Assets	<u>155,984</u>	<u>484,323</u>

(Decrease)/Increase in Cash

Reconciliation of Net Cash Flow to Movement in Net Debt

(Decrease)/Increase in Cash	155,984	484,323
Cash (Outflow)/Inflow from change in debt	(821,155)	205,319
Increase in Net Debt from Cash Flows	(665,171)	689,642
Net Debt at 1.4.2001	(4,168,634)	(4,858,276)
Net Debt at 31.3.2002	<u>(4,833,805)</u>	<u>(4,168,634)</u>

Analysis of Net Debt	At 1.4.01	Cashflow	At 31.3.02
Changes in Cash	82,078	155,984	238,062
Changes in Debt: Bank Loan	<u>(4,250,712)</u>	(821,155)	(5,071,867)
Changes in Net Debt	<u>(4,168,634)</u>	<u>(665,171)</u>	<u>(4,833,805)</u>

Adopted at the Annual General Meeting
On 21 October 2002

KENT COMMUNITY HOUSING TRUST
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

Note

1 Statement of Accounting Policies

a Basis of Accounting and Consolidation

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, and comply with the requirements of SORP, "Accounting and Reporting by Charities".

The Consolidated Financial Statements incorporate the Financial Statements of the Company and its Subsidiaries for the 52 weeks ended 31st March 2002

b Turnover

Turnover represents income from residential and community care. In the case of the trading subsidiary, turnover is from the provision of relief staff.

c Depreciation

Depreciation is provided from the date of purchase on a straight line basis on cost as follows: -

Leasehold Improvements	10/20% per annum
Computer Equipment	25% per annum
Fixtures and Fittings	20% per annum
Motor Vehicles	20% per annum

The freehold properties have been revalued on an existing use basis. Depreciation has been provided for at the rate of 2% per annum on the buildings element contained within the revalued amount.

d Current Liabilities

Capital Repayments due on long-term loans & HP accounts relates to instalments due in the next twelve months.

e Tax Status

No provision for taxation is necessary as the Charity has exemption under Section 505 of the ICTA 1998. In the case of the trading subsidiary, no provision is necessary due to assessable losses for the year.

f Comparative Figures

Comparative figures are for the year to 31 March 2001.

g Capital Reserve

Capital Reserve includes the revaluation surplus on the Freehold Property which was valued on an open market basis by Highland & Co. as at 31 March 2000. This revaluation gave an unrealised loss of £559,256 over previous valuations, the original valuations being carried out on 26.6.97.

i Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and

Adopted at the Annual General Meeting
On 21 October 2002

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

Note 2	2002 £	2001 £
Staff Costs		
Salaries and Wages	15,016,508	13,646,785
Staff Recruitment and Training	73,422	180,555
Employer's Social Security Costs	776,163	734,816
Employer's Pension Costs	590,796	639,899
	<u>16,456,889</u>	<u>15,202,055</u>
Analysed as		
Works Programme - Capitalised 2002	38,005	8,000
Works Programme Expenditure (including Garden Maintenance and Property Repairs)	81,460	78,751
Residential Care	12,012,667	12,053,002
Care at Home	1,179,423	1,224,679
Moving Forward	485,995	368,306
Finding Your Feet	1,239,429	593,431
Management and Administration	871,579	695,406
Trading Subsidiary	548,331	180,480
	<u>16,456,889</u>	<u>15,202,055</u>
	2002	2001
The average monthly number of persons employed during the year was:	<u>1,674</u>	<u>1,495</u>

Note 3	Residential Homes	Care at Home	Moving Forward	Finding Your Feet	Total	Total
Staff Costs	<u>12,012,667</u>	<u>1,179,423</u>	<u>485,995</u>	<u>1,239,429</u>	<u>14,917,514</u>	<u>14,239,418</u>
Property Costs						
Water Rates	135,258	179	607	2,278	138,322	129,767
Council Tax	17,048	—	1,119	435	18,602	16,878
Power and Heat	352,817	931	3,240	12,204	369,192	327,943
Rent	347,451	8,029	23,534	53,975	432,989	179,304
Property Insurance	54,725	—	2,488	4,975	62,188	45,718
Property Repairs	633,099	845	8,668	17,279	659,891	419,020
Property Garden Maintenance	15,813	—	—	—	15,813	23,653
Window and General Cleaning	182,855	107	264	2,213	185,439	179,574
Service Contracts	31,407	—	—	—	31,407	30,911
	<u>1,770,473</u>	<u>10,091</u>	<u>39,920</u>	<u>93,359</u>	<u>1,913,843</u>	<u>1,352,768</u>
Administrative Costs						
Food and Provisions	797,529	—	—	30,039	827,568	777,810
Laundry and Clothing	167,878	2,002	—	48,688	218,568	202,794
Registration	50,538	—	—	—	50,538	53,021
Travelling and Motor Expenses	26,246	16,134	47,390	107,203	196,973	152,593
Telephone	84,719	23,303	27,325	73,003	208,350	201,287
Therapy	19,102	—	—	—	19,102	16,778
Insurance (excluding Property)	34,502	4,726	2,363	5,672	47,263	30,479
Depreciation	354,896	2,368	15,380	15,536	388,180	322,143
Client Transport	44,226	—	4,895	167,792	216,913	172,841
Client Support	—	—	—	4,219,045	4,219,045	—
Other Expenses	58,338	5,956	47,948	81,407	193,649	2,867,737
	<u>1,637,974</u>	<u>54,489</u>	<u>145,301</u>	<u>4,748,385</u>	<u>6,586,149</u>	<u>4,797,483</u>
Finance Charges	<u>370,401</u>	<u>329</u>	<u>5,467</u>		<u>376,197</u>	<u>387,836</u>
Total	<u>15,791,515</u>	<u>1,244,332</u>	<u>676,683</u>	<u>6,081,174</u>	<u>23,793,704</u>	<u>20,777,505</u>

Adopted at the Annual General Meeting
On 21 October 2002

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

Management and Administration of the Charity	2002 £	2001 £
Staff Costs	<u>953,039</u>	<u>774,157</u>
Property Costs		
Council Taxes and Water Rates	3,602	3,672
Power and Heat	3,351	5,893
Rent	42,607	42,609
Property Insurance	2,487	1,782
Property Repairs	<u>17,442</u>	<u>11,780</u>
	<u>69,489</u>	<u>65,736</u>
Other Costs		
Travel and Motor Expenses	33,025	41,845
Stationery	19,627	21,460
Telephone	28,355	21,216
Postage	11,998	14,570
Computer Charges	54,295	44,263
Audit Fee	11,738	18,467
Legal and Professional Charges	48,433	51,441
Depreciation	54,451	59,486
Other Expenses	200,315	208,055
Insurance (excluding property)	<u>12,438</u>	<u>8,481</u>
	<u>474,675</u>	<u>489,284</u>
Total Expenditure	<u><u>1,497,204</u></u>	<u><u>1,329,177</u></u>

Adopted at the Annual General Meeting
On 21 October 2002

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

Trading Expenditure	2002	2001
	£	£
Staff Costs	682,502	180,480
Running Costs		
Travel and Motor Expenses	311	129
Stationery, printing & postage	8,115	1,902
Telephone	7,010	2,806
Computer Charges	85	450
Cleaning	88	177
Audit Fee	500	765
Legal and Professional Charges	275	1,410
Depreciation	4,706	2,999
Other Expenses	4,636	1,157
Total Running Costs	25,726	11,795
Total Expenditure	708,228	192,275

Adopted at the Annual General Meeting

On 21 October 2002

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31ST MARCH 2002

Note

4 Tangible Fixed Assets	Freehold Property £	Leasehold Improvements £	Computer Equipment £	Fixtures & Fittings £	Motor Vehicles £	TOTAL £
Cost/Valuation						
At 1.4.01	13,738,060	502,535	408,463	788,105	212,333	15,649,496
Additions	1,223,432	96,254	54,396	173,586	—	1,547,668
Disposals	—	—	—	—	—	—
Revaluation	—	—	—	—	—	—
At 31.3.02	14,961,492	598,789	462,859	961,691	212,333	17,197,164
Depreciation						
At 1.4.01	273,744	259,416	216,162	439,982	151,425	1,340,729
Charge for Year	214,837	13,604	71,024	126,910	20,963	447,338
At 31.3.02	488,581	273,020	287,186	566,892	172,388	1,788,067
Net Book Value						
At 31.3.02	14,472,911	325,769	175,673	394,799	39,945	15,409,097
At 31.3.01	13,464,316	243,119	192,301	348,123	60,908	14,308,767

	GROUP		CHARITY	
5 Debtors	2002	2001	2002	2001
	£	£	£	£
Debtors and Accrued Income	1,717,677	1,385,388	1,817,442	1,438,649
Prepayments	80,454	67,608	80,454	67,608
Other Debts	—	—	—	—
	<u>1,798,131</u>	<u>1,452,996</u>	<u>1,897,896</u>	<u>1,506,257</u>

6 Creditors and Accruals				
Creditors and Accruals	1,942,966	1,746,091	2,029,235	1,775,491
Other Taxes and Social Security	218,395	226,467	206,850	225,626
Capital repayments due within one year on long-term loans & leasing	429,421	383,908	429,421	383,908
	<u>2,590,782</u>	<u>2,356,466</u>	<u>2,665,506</u>	<u>2,385,025</u>

7 Capital Commitments

Capital expenditure contracted for, unpaid for at the year end and not provided for in the financial statements - Nil (2001 Nil)

Capital expenditure authorised by the Trustees but not yet contracted for - Nil (2001 Nil)

8 Contingent Liabilities

There are no known contingent liabilities arising from contracted disputes or from any other cause (2001 Nil)

9 Residents' Bank Accounts

The Trust administers bank accounts for which it has power of attorney on behalf of residents who cannot manage their own affairs

These accounts have not been reflected in these Financial Statements as an asset or liability

10 Obligations under Hire Purchase and Finance Leases

Obligations under hire purchase and finance leases are analysed as follows:

	2002	2001
Current obligations	169,851	129,778
Obligations due between one and five years	285,996	228,593
	<u>455,847</u>	<u>358,371</u>

Adopted at the Annual General Meeting

On 21 October 2002

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

Note 11

Employee's Emoluments

Senior Management

The number of employees whose emoluments for the year fell within each band of £10,000 from £40,000 upwards was as follows:-

<u>Emoluments</u>	<u>No. of Employees</u>
£40,000 to £50,000	3
£50,000 to £60,000	1
£60,000 to £70,000	0
£70,000 to £80,000	1

Note 12

Amenity Funds

There is an amount of £6573.75 included within the Trust's Financial Statements which is held on behalf of the following Amenity Funds:-

	<u>£</u>
Hevercourt	5,000
Honeyfields	1,593
Hartley House	30
New Close	26
Perrygrove	-141
Sunbury Lodge	66

This is shown within the creditors under Current Liabilities on the Balance Sheet.

Note 13

Subsidiary Undertakings

Kent Community Services Limited incorporated in the United Kingdom. This subsidiary undertaking is wholly owned and the results have been consolidated in the group accounts.

At 31st March 2002

Fixed Assets	15,486
Current Assets	174,155
Current Liabilities	(158,979)
Net Current Assets	15,176
	<u>30,662</u>
Reserves	<u>30,662</u>
Turnover	742,776
Expenditure	(713,780)
Profit for year	<u>28,996</u>

Adopted at the Annual General Meeting

On 21 October 2002

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

Note 14 Pension Commitments

The Trust participates in the pension schemes which are named below. The costs are charged to the

Pension Scheme	Rate of Contribution		2002 Cost
	Employer's	Employee's	£
The Pensions Trust	10.60%	4.4, 4.5 & 5.0%	28,158
KCC Pensions (LGPS)	11.2 & 13.44%	5.0 & 6.0 %	144,230
LBG Pensions (LGPS)	12.75%	5.0 & 6.0 %	18,384
LBB Pensions (LGPS)	17.50%	5.0 & 6.0 %	344,567
Sun Life	Up to 5%	Variable	55,457

The Sun Life scheme is a defined contribution scheme and the Pensions Trust and LGPS schemes are defined benefit pension schemes. Whilst the Trust continues to account for pensions costs in accordance with SSAP 24, under FRS 17 the following transitional disclosures are required for the defined benefit schemes:-

The Pensions Trust

The Social Housing Pensions Scheme is a multi-employer defined benefit scheme. It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers.

The last formal valuation of the scheme was performed at 30 September 1999 by a professionally qualified actuary using the projected unit credit method. The market value of the Scheme's assets at the last valuation date was £595 million. The valuation revealed a shortfall of £19 million (equivalent to a past service funding level of 97%).

The financial assumptions underlying the valuation were as follows:

	%pa
Rate of return on future contributions	6.6
Rate of return on accumulated assets	5.4
Rate of salary increases	4.5
Rate of pension increases	2.5
Rate of price inflation	2.5

In view of the past service shortfall most employers (including KCHT) are required to contribute at the standard rate of 10.6% of pensionable salaries in order to bring the value of assets and liabilities into balance.

Kent County Council

The Kent County Council Pension Fund is a multi-employer defined benefit scheme. The Trust has been unable to identify the share of underlying assets and liabilities belonging to its membership in the scheme.

The last formal valuation of the scheme was performed at 31 March 2001 by a professionally qualified actuary. The market value of the Scheme's assets at the last valuation date was £1,610 million. The valuation revealed a shortfall of £519 million giving a funding level of 76%. It is expected that the Trust's employers' contribution rates will rise to between 15 and 18% by 2004/05 to compensate for this shortfall.

The financial assumptions (under current market conditions) underlying the valuation were as follows:

	%pa
Investment return	
- Equities	6.25
- Bonds	5.25
- 75% Equities/ 25% Bonds	6.00
Pay increases	4.30
Price inflation/ pension increases	2.80

London Borough of Bexley

The London Borough of Bexley Pension Fund is a multi-employer defined benefit scheme. The Trust has been unable to identify the share of underlying assets and liabilities belonging to its membership in the scheme.

The last formal valuation of the scheme was performed at 31 March 2001 by a professionally qualified actuary using the Projected Unit method. The market value of the Scheme's assets at the last valuation date was £314 million. The valuation revealed a surplus of £11.7 million over and above its liabilities, giving a funding level of 104%.

The financial assumptions (past service) underlying the valuation were as follows:

	%pa
Rate of discount	6.30
Rate of pensionable pay inflation	4.20
Rate of price inflation	2.70

London Borough of Greenwich

The London Borough of Greenwich Pension Fund is a multi-employer defined benefit scheme. The Trust has been unable to identify the share of underlying assets and liabilities belonging to its membership in the scheme and a valuation of the scheme as a whole is currently unavailable.

Adopted at the Annual General Meeting
On 21 October 2002

KENT COMMUNITY HOUSING TRUST
COMPANY LIMITED BY GUARANTEE - NO. 2565021
REGISTERED CHARITY NO. 1002727

FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31st MARCH 2002

REGISTERED OFFICE:

**Bridgewood House
8 Laker Road
Rochester
Kent ME1 3QX**

Adopted at the Annual General Meeting
On 21 October 2002

Independent Auditor's Report to the Members of Kent Community Housing Trust.

We have audited the financial statements of Kent Community Housing Trust for the year ended 31st March 2002 which are set out on pages 1 to 11. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Trustees' Responsibilities, the company's trustees are non-executive company directors, for preparing the financial statements in accordance with applicable law and UK Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

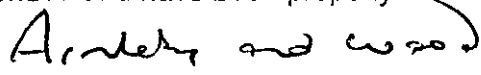
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company and group affairs as at 31st March 2002 and of their incoming resources and application of resources including cashflow of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

21 - 10 - 02
**3 The Office Village
4 Romford Road
Stratford
London E15 4EA**


APPLEBY & WOOD
Registered Auditors

KENT COMMUNITY HOUSING TRUST
BALANCE SHEET AS AT 31ST MARCH 2002

	Note	31.3.02		31.3.01	
		£	£	£	£
Tangible Fixed Assets	4	15,393,611		14,290,475	
Current Assets					
Debtors & Prepayments	5	1,897,896	1,506,257		
Short Term Deposits		2,998	2,972		
Cash at Bank and In Hand		224,846	101,030		
		<u>2,125,740</u>	<u>1,610,259</u>		
Current Liabilities					
Creditors falling due within one year	6	2,236,085	2,001,117		
Capital Repayments due within one year on long-term loans & HP Accounts		429,421	383,908		
		<u>2,665,506</u>	<u>2,385,025</u>		
Net Current (Liabilities)		(539,766)	(774,766)		
Total Assets less Current Liabilities		14,853,845	13,515,709		
Long Term Liabilities					
Bank Loan Account		4,812,297	3,996,582		
Hire Purchase Account		285,996	(5,098,293)	228,593	(4,225,175)
		<u>9,755,552</u>	<u>9,290,534</u>		
Net Assets					

Represented by

Reserves

Revenue Unrestricted	2,266,984	1,791,198		
Revenue Restricted	295	2,267,279	11,063	1,802,261
Capital		7,488,273		7,488,273
		<u>9,755,552</u>		<u>9,290,534</u>

Signed by: The Lady Northbourne, Chairman
 Sir David Berriman CIMgt, Honorary Treasurer
 R D Howells FCIH, Chief Executive and Company Secretary
 D J Pert ACCA, Head of Finance

[Handwritten signatures of The Lady Northbourne, Sir David Berriman, R D Howells, and D J Pert]

Adopted at the Annual General Meeting
 On 21 October 2002

KENT COMMUNITY HOUSING TRUST
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2002

Incoming Resources	Notes	Capital Reserve	Unrestricted Funds	Restricted Funds	2002 Total funds	2001 Total Funds
		£	£	£	£	
Income from Charitable Activities			26,284,414	—	26,284,414	22,467,916
Voluntary Income & Grants			—	187,935	187,935	132,699
National Lotteries Board			—	—	0	20,000
Interest Receivable			20,630	—	20,630	32,483
Other Income			9,966	—	9,966	69,664
Total Incoming Resources			26,315,010	187,935	26,502,945	22,722,762
Resources expended						
Direct Charitable Expenditure	3					
Residential Home Services			16,504,191	—	16,504,191	15,453,016
Care at Home Services			1,244,332	—	1,244,332	1,314,717
Moving Forward			524,804	151,879	676,683	563,829
Finding Your Feet			6,044,082	37,092	6,081,174	3,635,766
			24,317,408	188,971	24,506,379	20,967,328
Other Expenditure	3					
Advertising & Publicity			34,346	—	34,346	24,876
Management & Administration			1,487,471	9,732	1,497,203	1,329,177
			1,521,817	9,732	1,531,549	1,354,053
Total Resources Expended			25,839,224	198,703	26,037,927	22,321,381
Net Incoming resources for the year		—	475,786	-10,768	465,018	401,381
Fixed Assets for Charity use gained at nil premium			—	—	0	4,790,000
Balance Brought Forward at 1 April 2001		7,488,273	1,791,198	11,063	9,290,534	4,099,153
Balance Carried Forward at 31 March 2002		7,488,273	2,266,984	295	9,755,552	9,290,534

All amounts relate to continuing activities

None of the Trust's activities was acquired or discontinued during the above two-year period.

All recognised and unrecognised gains and losses are included in the Statement of Financial Activities.

Adopted at the Annual General Meeting
On 21 October 2002

KENT COMMUNITY HOUSING TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2001

Net Cash (Outflow)/Inflow from Operating Activities	31.3.2002	31.3.2001	
	£	£	
Surplus on ordinary activities	465,018	401,381	
Depreciation Charge	442,632	381,629	
Increase in Debtors	(391,639)	(722,494)	
Increase/(Decrease) in Creditors	332,444	1,341,849	
	<u>848,455</u>	<u>1,402,365</u>	
Financing			
Loans (Repaid)/Received (Net)	821,155	(205,319)	
	<u>1,669,610</u>	<u>1,197,046</u>	
Investing Activities			
Payments to acquire Tangible Fixed Assets (Net)	(1,545,768)	(680,169)	
	<u>123,842</u>	<u>516,877</u>	
(Decrease)/Increase in Cash			
Reconciliation of Net Cash Flow to Movement in Net Debt			
(Decrease)/Increase in Cash	123,842	516,877	
Cash (Outflow)/Inflow from change in debt	(821,155)	205,319	
Increase in Net Debt from Cash Flows	(697,313)	722,196	
Net Debt at 1.4.2001	(4,146,710)	(4,868,906)	
Net Debt at 31.3.2002	<u>(4,844,023)</u>	<u>(4,146,710)</u>	
Analysis of Net Debt	At 1.4.01	Cashflow	At 31.3.02
Changes in Cash	104,002	123,842	227,844
Changes in Debt: Bank Loan	(4,250,712)	(821,155)	(5,071,867)
Changes in Net Debt	<u>(4,146,710)</u>	<u>(697,313)</u>	<u>(4,844,023)</u>

Adopted at the Annual General Meeting
On 21 October 2002

KENT COMMUNITY HOUSING TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

Note

1 Statement of Accounting Policies

a Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, and comply with the requirements of SORP, "Accounting and Reporting by Charities".

b Turnover

Turnover represents income from residential and community care.

c Depreciation

Depreciation is provided from the date of purchase on a straight line basis on cost as follows: -

Leasehold Improvements	10/20% per annum
Computer Equipment	25% per annum
Fixtures and Fittings	20% per annum
Motor Vehicles	20% per annum

The freehold properties have been revalued on an existing use basis. Depreciation has been provided for at the rate of 2% per annum on the buildings element contained within the revalued amount.

d Current Liabilities

Capital Repayments due on long-term loans & HP accounts relates to instalments due in the next twelve months.

e Tax Status

No provision for taxation is necessary as the Company has exemption under Section 505 of the ICTA 1998.

f Comparative Figures

Comparative figures are for the year to 31 March 2001.

g Capital Reserve

Capital Reserve includes the revaluation surplus on the Freehold Property which was valued on an open market basis by Highland & Co. as at 31 March 2000. This revaluation gave an unrealised loss of £559,256 over previous valuations, the original valuations being carried out on 26.6.97.

h Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding.

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

Note 2	2002 £	2001 £
Staff Costs		
Salaries and Wages	14,894,198	13,663,162
Staff Recruitment and Training	375,080	178,068
Employer's Social Security Costs	761,159	730,269
Employer's Pension Costs	590,796	639,899
	<u>16,621,234</u>	<u>15,211,398</u>
Analysed as		
Works Programme - Capitalised 2002	38,005	8,000
Works Programme Expenditure (including Garden Maintenance and Property Repairs)	81,460	78,751
Residential Care	12,725,342	12,242,825
Care at Home	1,179,423	1,224,679
Moving Forward	485,995	368,306
Finding Your Feet	1,239,429	593,431
Management and Administration	871,579	695,406
	<u>16,621,233</u>	<u>15,211,398</u>
	2002	2001
The average monthly number of persons employed during the year was:	<u>1,497</u>	<u>1,445</u>

Note 3	Residential Homes	Care at Home	Moving Forward	Finding Your Feet	Total	
Staff Costs	12,725,342	1,179,423	485,995	1,239,429	15,630,189	14,429,241
Property Costs						
Water Rates	135,258	179	607	2,278	138,322	129,767
Council Tax	17,048	-	1,119	435	18,602	16,878
Power and Heat	352,817	931	3,240	12,204	369,192	327,943
Rent	347,451	8,029	23,534	53,975	432,989	179,304
Property Insurance	54,725	-	2,488	4,975	62,188	45,718
Property Repairs	633,099	845	8,668	17,279	659,891	419,020
Property Garden Maintenance	15,813	-	-	-	15,813	23,653
Window and General Cleaning	182,855	107	264	2,213	185,439	179,574
Service Contracts	31,407	-	-	-	31,407	30,811
	<u>1,770,473</u>	<u>10,091</u>	<u>39,920</u>	<u>93,359</u>	<u>1,913,843</u>	<u>1,352,768</u>
Administrative Costs						
Food and Provisions	797,529	-	-	30,039	827,568	777,810
Laundry and Clothing	167,878	2,002	-	48,688	218,568	202,794
Registration	50,538	-	-	-	50,538	53,021
Travelling and Motor Expenses	26,246	16,134	47,390	107,203	196,973	152,593
Telephone	84,719	23,303	27,325	73,003	208,350	201,287
Therapy	19,102	-	-	-	19,102	16,778
Insurance (excluding Property)	34,502	4,726	2,363	5,672	47,263	30,479
Depreciation	354,896	2,368	15,380	15,536	388,180	322,143
Client Transport	44,226	-	4,895	167,792	216,913	172,841
Client Support	-	-	-	4,219,045	4,219,045	-
Other Expenses	58,338	5,956	47,948	81,407	193,649	2,867,737
	<u>1,637,974</u>	<u>54,489</u>	<u>145,301</u>	<u>4,748,385</u>	<u>6,586,149</u>	<u>4,797,483</u>
Finance Charges	370,401	329	5,467	-	376,197	387,836
Total	<u>16,504,191</u>	<u>1,244,332</u>	<u>676,883</u>	<u>6,081,174</u>	<u>24,506,379</u>	<u>20,967,328</u>

KENT COMMUNITY HOUSING TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002

Management and Administration of the Charity	2002 £	2001 £
Staff Costs	<u>953,039</u>	<u>774,157</u>
Property Costs		
Council Taxes and Water Rates	3,602	3,672
Power and Heat	3,351	5,893
Rent	42,607	42,609
Property Insurance	2,487	1,782
Property Repairs	<u>17,442</u>	<u>11,780</u>
	<u>69,489</u>	<u>65,736</u>
Other Costs		
Travel and Motor Expenses	33,025	41,845
Stationery	19,627	21,460
Telephone	28,355	21,216
Postage	11,998	14,570
Computer Charges	54,295	44,263
Audit Fee	11,738	18,467
Legal and Professional Charges	48,433	51,441
Depreciation	54,451	59,486
Other Expenses	200,315	208,055
Insurance (excluding property)	<u>12,438</u>	<u>8,481</u>
	<u>474,675</u>	<u>489,284</u>
Total Expenditure	<u><u>1,497,204</u></u>	<u><u>1,329,177</u></u>

Adopted at the Annual General Meeting
On 21 October 2002

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

AS AT 31ST MARCH 2002

Note

4 Tangible Fixed Assets		Freehold Property £	Leasehold Improvements £	Computer Equipment £	Fixtures & Fittings £	Motor Vehicles £	TOTAL £
Cost/Valuation							
At 1.4.01		13,738,060	499,155	399,408	779,249	212,333	15,628,205
Additions		1,223,432	96,254	54,396	171,686	0	1,545,767
Disposals		-	-	-	-	0	-
Revaluation		-	-	-	-	-	0
At 31.3.02		<u>14,961,492</u>	<u>595,409</u>	<u>453,804</u>	<u>950,935</u>	<u>212,333</u>	<u>17,173,973</u>
Depreciation							
At 1.4.01		273,744	259,224	214,429	438,908	151,425	1,337,730
Charge for Year		<u>214,837</u>	<u>13,266</u>	<u>68,760</u>	<u>124,806</u>	<u>20,963</u>	<u>442,632</u>
At 31.3.02		<u>488,581</u>	<u>272,490</u>	<u>283,189</u>	<u>563,714</u>	<u>172,388</u>	<u>1,780,362</u>
Net Book Value							
At 31.3.02		14,472,911	322,919	170,616	387,221	39,945	15,393,611
At 31.3.01		13,464,316	239,931	184,979	340,341	60,908	14,290,475

5 Debtors		2002	2001
		£	£
Debtors and Accrued Income		1,817,442	1,438,649
Prepayments		<u>80,454</u>	<u>67,608</u>
		<u>1,897,896</u>	<u>1,506,257</u>

6 Creditors and Accruals			
Creditors and Accruals		2,029,235	1,775,491
Other Taxes and Social Security		<u>206,850</u>	<u>225,626</u>
		<u>2,236,085</u>	<u>2,001,117</u>

Our policy for the payment of creditors is month end following date of invoice. The average number of days between receipt and payment of purchase invoices is 25 days.

7 Capital Commitments

Capital expenditure contracted for, unpaid for at the year end and not provided for in the financial statements - Nil (2001 Nil)

Capital expenditure authorised by the Trustees but not yet contracted for - Nil (2001 Nil)

8 Contingent Liabilities

There are no known contingent liabilities arising from contracted disputes or from any other cause (2001 Nil)

9 Residents' Bank Accounts

The Trust administers bank accounts for which it has power of attorney on behalf of residents who cannot manage their own affairs

These accounts have not been reflected in these Financial Statements as an asset or liability

10 Obligations under Hire Purchase and Finance Leases

Obligations under hire purchase and finance leases are analysed as follows:

	2002	2001
Current obligations	169,851	129,778
Obligations due between one and five years	285,996	228,593
	<u>455,847</u>	<u>358,371</u>

Adopted at the Annual General Meeting

On 21 October 2002

KENT COMMUNITY HOUSING TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002

Note 11 Employee's Emoluments

The total emoluments (i.e. remuneration and Benefits-in-kind, as defined for taxation purposes) for the year ended 31 March 2002 was £13,503,518

Senior Management

The number of employees whose emoluments for the year fell within each band of £10,000 from £40,000 upwards was as follows:-

<u>Emoluments</u>	<u>No. of Employees</u>
£40,000 to £50,000	2
£50,000 to £60,000	1
£60,000 to £70,000	0
£70,000 to £80,000	1

Note 12 Amenity Funds

There is an amount of £6573.75 included within the Trust's Financial Statements which is held on behalf of the following Amenity Funds:-

	£
Hevercourt	5,000
Honeyfields	1,593
Hartley House	30
New Close	26
Perrygrove	-141
Sunbury Lodge	66

This is shown within the creditors under Current Liabilities on the Balance Sheet.

Note 13 Pension Commitments

The Trust participates in the pension schemes which are named below. The costs are charged to the profit and loss account as and when they are paid on a monthly basis. The pension cost charge for the period is stated in Note 2 of the financial statements and is detailed below. There are no outstanding or prepaid contributions at the balance sheet date.

<u>Pension Scheme</u>	<u>Rate of Contribution</u>		<u>2002 Cost</u>
	<u>Employer's</u>	<u>Employee's</u>	£
The Pensions Trust	10.60%	4.4, 4.5 & 5.0%	28,158
KCC Pensions (LGPS)	11.2 & 13.44%	5.0 & 6.0 %	144,230
LBG Pensions (LGPS)	12.75%	5.0 & 6.0 %	18,384
LBB Pensions (LGPS)	17.50%	5.0 & 6.0 %	344,567
Sun Life	Up to 5%	Variable	55,457

The Sun Life scheme is a defined contribution scheme and the Pensions Trust and LGPS schemes are defined benefit pension schemes. Whilst the Trust continues to account for pensions costs in accordance with SSAP 24, under FRS 17 the following transitional disclosures are required for the defined benefit schemes:-

The Pensions Trust

The Social Housing Pensions Scheme is a multi-employer defined benefit scheme. It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers.

The last formal valuation of the scheme was performed at 30 September 1999 by a professionally qualified actuary using the projected unit credit method. The market value of the Scheme's assets at the last valuation date was £595 million. The valuation revealed a shortfall of £19 million (equivalent to a past service funding level of 97%).

The financial assumptions underlying the valuation were as follows:

	<u>%pa</u>
Rate of return on future contributions	6.6
Rate of return on accumulated assets	5.4
Rate of salary increases	4.5
Rate of pension increases	2.5
Rate of price inflation	2.5

In view of the past service shortfall most employers (including KCHT) are required to contribute at the standard rate of 10.6% of pensionable salaries in order to bring the value of assets and liabilities into balance.

Adopted at the Annual General Meeting
On 21 October 2002

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

Note 13 Pension Commitments (cont'd)

Kent County Council

The Kent County Council Pension Fund is a multi-employer defined benefit scheme. The Trust has been unable to identify the share of underlying assets and liabilities belonging to it's membership in the scheme.

The last formal valuation of the scheme was performed at 31 March 2001 by a professionally qualified actuary. The market value of the Scheme's assets at the last valuation date was £1,610 million. The valuation revealed a shortfall of £519 million giving a funding level of 76%. It is expected that the Trust's employers' contribution rates will rise to between 15 and 18% by 2004/05 to compensate for this shortfall.

The financial assumptions (under current market conditions) underlying the valuation were as follows:

	<u>%pa</u>
Investment return	
- Equities	6.25
- Bonds	5.25
- 75% Equities/ 25% Bonds	6.00
Pay increases	4.30
Price inflation/ pension increases	2.80

London Borough of Bexley

The London Borough of Bexley Pension Fund is a multi-employer defined benefit scheme. The Trust has been unable to identify the share of underlying assets and liabilities belonging to it's membership in the scheme.

The last formal valuation of the scheme was performed at 31 March 2001 by a professionally qualified actuary using the Projected Unit method. The market value of the Scheme's assets at the last valuation date was £314 million. The valuation revealed a surplus of £11.7 million over and above its liabilities, giving a funding level of 104%.

The financial assumptions (past service) underlying the valuation were as follows:

	<u>%pa</u>
Rate of discount	6.3
Rate of pensionable pay inflation	4.2
Rate of price inflation	2.7

London Borough of Greenwich

The London Borough of Greenwich Pension Fund is a multi-employer defined benefit scheme. The Trust has been unable to identify the share of underlying assets and liabilities belonging to it's membership in the scheme and a valuation of the scheme as a whole is currently unavailable.