KENT COMMUNITY HOUSING TRUST

COMPANY LIMITED BY GUARANTEE - NO. 2565021

REGISTERED CHARITY NO. 1002727

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 31st MARCH 2003

REGISTERED OFFICE:

Bridgewood House
8 Laker Road
Rochester
Kent ME1 3QX

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Adopted at the Annual General Meeting
On 27 October 2003

Kent Community Housing Trust

Report of the Trustees

1 April 2002 to 31 March 2003

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 2003 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 13 Trustees. During the year Mr C Villiers (February 2003) resigned as a Member and The Rt. Hon The Countess Mountbatten of Burma (October 2002) retired and did not seek re-election. Trustees Councilor Wendy Perfect and Councilor Bob Lewis were appointed as Members and 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 3 occasions)
- Care Committee (which met on 4 occasions)
- Development Committee (which met on 4 occasions)
- Board of Directors of Kent Community Services Limited (which met on 3 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 six decreased to five during the year with the resignation of the Director, Kent Community Services Ltd. 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 Board continually keeps under its review its membership and the breadth of skills and expertise to ensure proper governance. The Board resolved to seek additional Trustees representing the work of the Trust in Bexley and Greenwich and this was achieved during the year.

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 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 responsible for safeguarding the assets of the Trust and taking reasonable steps for the prevention and detection of fraud and other irregularities.

3 Principal Activities

3.1 *KCHT Care Homes*

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

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 2002 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.

We have a planned programme of development for our Care Homes in order that they will meet the new Care Standards and provide a comfortable home meeting the needs of our residents. During 2002, phase one of this programme was completed. Works carried out included extending the 'New Close' in Bridge to provide an extra 23 rooms, all with ensuite bathrooms. We also carried out major refurbishments to our four homes in Greenwich.

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. We work in partnership with Social Services in order to ensure that we are able to provide services which meet the changing needs of our residents now and in the future.

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 in West Kent continues to provide community support to a small number of adults with a learning difficulty, who have established and are maintaining their first homes. During 2002 we were able to create this service to support clients in East Kent.

3.3 *KCHT Moving Forward*

Our service for vulnerable young people supported more than 1000 young people in difficulties during 2002/2003.

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

European Social Fund
SRB Funding
Learning and Skills Council

During the year we carried out major refurbishment to our property in Margate which is used as 'crash pads' and flats for the young people in need of emergency and short-term accommodation.

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 further during 2003/2004 with funding from Social Services and the Childrens Fund enabling new services to be developed, such as Breakthrough Plus in the Gravesend area of West Kent.

3.4 *Finding Your Feet*

Our service for unaccompanied minors entering the country as asylum seekers experienced growth during 2002/2003. However, by March 2003 we saw the number of young people being supported begin to fall due to the legislation, which meant that certain young people had to move away from the support of our service.

We are continuing to experience falling numbers, as when a young person reaches the age of 18 they are required to leave the Finding Your Feet service. We are, however, finding ways to support these young people through Supporting People Grant, integrated into our Moving Forward service.

The Finding Your Feet Service is fully funded by Kent County Council Social Services under their obligations under the Children's Act.

4 Quality Management

The Trust has ISO 9002 Accreditation for our Care Homes, Care at Home and Moving Forward Services. This will need to be converted to the revised 9001 standard in 2003. The Trust also has accreditation under Investors in People.

5 Business Plan

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

Our Business Plan 2000/2005 focuses on:

(i) Extending our Quality Assurance and 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 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 2002/2003 we were able to make further progress against the Business Plan:

(a) Our increasing concentration on the needs of older people with dementia and Altzheimers, together with the expansion of our Breakthrough Service for children and young people, took forward our objective of enhancing and developing our services.

(b) Accessing new forms of funding, for example the Children's Fund and Supporting People Grant, has enabled us to work in closer partnership with a variety of other organisations and agencies.

(c) Progress was made in recruiting and supporting volunteers to add value to the services we provide, this will continue in 2003.

(d) Special Interest Trustees were appointed for all services in order that Trustees' are able to maintain effective control of the Trust.

(e) New service brochures were produced as well as a new staff handbook.

(f) A Fundraising Manager has been recruited and so far has identified various opportunities for raising monies. A payroll giving scheme has been set up within KCHT which enables staff to have donations

deducted from their salary. Many of the donations are given to the KCHT Charitable Fund, which assists KCHT clients in financial crisis or difficulty, and enables them to live more fulfilled lives.

Our Annual Plan for 2003/2004 sets objectives to make further progress on our Business Plan.

6 Review of Financial Position

Trustees are of the opinion that the financial results for the year ending 31 March 2003 are satisfactory having regarded to the challenges which the Trust adequately met during the year.

The financial results showed a surplus of £1,344,712 being a significant improvement of £880,000 on the results of the previous year which were below the targets set for that year.

Turnover increased by 18% to £31.4 million, which mainly reflects the growth experienced in the Finding Your Feet service.

Total resources expended also increased by 16% over the previous year, 60% of expenditure being on staff costs including training and recruitment. Management and administration costs were 6% of turnover. 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 first phase of the development programme being completed in 2002, the Bank Loans and Hire Purchase accounts outstanding have increased by 1.3 million to £6.83 million. Despite this, finance charges have decreased by £101,000 due to lower interest rates on variable loans.

7 Reserves Policy

The cash reserves policy was reviewed during 2002, 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 from any source 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 2003/2004 budget would be £2.24 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 hold no cash reserves and therefore aims to build reserves to the level of £2.24 million over a number of years.

The situation has improved since 2002 in that net current liabilities have reduced by £378,000 to £161,000.

8 Risk Assessment

During 2002 the Board of Trustees made an assessment of the risks to which the Trust is exposed, taking into account financial, operational and regulatory risks. In 2003 the risks were reviewed to ensure comprehensiveness and to follow up any of the current measures in operation to mitigate risks.

The major risks facing the Trust appeared to be the risk of loss of income and the risk of being unable to recruit and retain personnel.

In order to mitigate risks, the Trust has measures and controls in place. With regards to risks to income, there are monthly management accounts and performance data, debtor control and internal audits. With regard to recruitment and retention we are Investors in People, a Staff Council has replaced the Joint Negotiating Committee and a Human Resources Manager has been recruited. Also, staff 'Terms and Conditions' underwent an extensive review during 2002.

Reviewing risk is an ongoing part of the governance of the organisation which the Board integrates into its regular meetings.

9 Information About the Trust's Work

The Trust will launch a new edition of "Profile" for 2003 at this years Annual Review, this is available free upon request and gives greater information on the work of KCHT.

10 Accounts and Dividends

The results for the Trust for the year under review are considered to be satisfactory and an increase in the revenue reserves was achieved, The Trust is committed to continually enhancing and developing its services, and the greater part of the operating 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.

11 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 2003/2004 as a result of the measures put in place within the Annual Plans for the past two years.

12 Auditors

A resolution will be proposed at the Annual General Meeting on 27 October 2003 that Appleby and Wood be re-appointed Auditors of the Trust for the year ending March 2004.

13 Board of Trustees - Trustees 2003

The Lady Northbourne	Chairman
Sir David Berriman CIMgt	Honorary Treasurer
Mr H J Bragg MRPharmS	Deputy Chairman
Mrs A Cottrell	
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	
Cllr Mrs W Perfect	
Cllr Mr R Lewis	

The Rt Hon The Countess Mountbatten of Burma CBE CD JP DL resigned her post in October 2002 and has become Honorary President.

14 Non-Executive Directors of Kent Community Services Limited 2003

Mr H J Bragg MRPharmS	Chairman
The Lady Northbourne	
Mr B Bushell	
Mr R Pickett BSc (Econs) FCCA	
Mr R D Howells FICH	Chief Executive of KCHT

15 Management Team 2003

Mr R D Howells FICH	Chief Executive and Company Secretary
Mrs D Pert ACMI ACCA	Head of Finance
Mrs S Ellis DMS MCMI	Head of Residential Care Services
Ms E Nicolson DMS CSS	Head of Community Services
Ms T Jones MCIH	Head of Development Services

During 2003 the organisation has been restructured which has led to changes in the Management Team. From autumn 2003 the KCHT Management Team is as follows:

Mr R D Howells FICH	Chief Executive
Mrs D Pert ACMI ACCA	Director of Finance and Resources and Company Secretary
Ms P Evans RGN DN.cert BSc, MSc	Director of KCHT Care Division
Ms T Jones MCIH	Director of Property and Development

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

Adopted at the Annual General Meeting
27 October 2003

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 2003 which are set out on pages 1 to 13. 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.

This report is made solely to the Trust's members, as a body. In accordance with the Companies Acts. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective Responsibilities of Trustees 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 your 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 2003 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.

Appleby & Wood

Appleby & Wood
Registered Auditors
3 The Office Village
4 Romford Road
London E15 4EA

Date: 27th October 2003

KENT COMMUNITY HOUSING TRUST

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST MARCH 2003

	Note	GROUP 2003	GROUP 2002	CHARITY 2003	CHARITY 2002
		£	£	£	£
Tangible Fixed Assets	4	17,414,438	15,409,097	17,398,546	15,393,611
Current Assets					
Debtors & Prepayments	5	1,474,243	1,798,131	1,524,825	1,897,896
Short Term Deposits		11,495	2,998	11,495	2,998
Cash at Bank and In Hand		1,719,329	265,063	1,708,948	224,846
		3,205,067	2,066,192	3,245,268	2,125,740
Current Liabilities	6	(3,380,338)	(2,590,782)	(3,406,313)	(2,665,506)
Net Current (Liabilities)		(175,271)	(524,590)	(161,045)	(539,766)
Total Assets less Current Liabilities		17,239,167	14,884,507	17,237,501	14,853,845
Long Term Liabilities					
Bank Loan Account		(5,945,656)	(4,812,297)	(5,945,656)	(4,812,297)
Hire Purchase Account		(191,581)	(285,996)	(191,581)	(285,996)
		(6,137,237)	(5,098,293)	(6,137,237)	(5,098,293)
Net Assets		11,101,930	9,786,214	11,100,264	9,755,552
Represented by					
Reserves					
Revenue Unrestricted		3,613,308	2,297,646	3,553,900	2,266,984
Revenue Restricted		349	295	58,091	295
Capital		7,488,273	7,488,273	7,488,273	7,488,273
		11,101,930	9,786,214	11,100,264	9,755,552

Signed by:

The Lady Northbourne, Chairman

Sir David Berriman CIMgt, Honorary Treasurer

R D Howells FCIH, Chief Executive and Company Secretary

D J Pert ACMI ACCA, Director Finance & Resources

Adopted at the Annual General Meeting
On 27 October 2003

KENT COMMUNITY HOUSING TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2003

Incoming Resources	Notes	Capital *Reserve*	Unrestricted *Funds*	Restricted *Funds*	2003 Total *funds*	2002 Total *Funds*
		£	£	£	£	
Income from Charitable Activities			31,156,587	–	31,156,587	26,279,644
Voluntary Income & Grants			–	148,613	148,613	187,935
National Lotteries Board			–	–	–	–
Interest Receivable			33,329	–	33,329	20,630
Other Charitable Income			17,152	–	17,152	9,184
Trading Income			44,708	–	44,708	30,102
Total Incoming Resources			31,251,776	148,613	31,400,389	26,527,495
Resources expended						
Direct Charitable Expenditure	3					
Residential Home Services			*16,626,943*	–	*16,626,943*	*15,791,515*
Care at Home Services			1,325,929	–	1,325,929	1,244,332
Moving Forward (including expenditure from grants received from National Lotteries Board)			686,957	124,238	811,195	676,683
Finding Your Feet			8,641,143	21,430	8,662,573	6,081,174
			27,280,972	145,668	27,426,640	23,793,704
Other Expenditure	3					
Advertising & Publicity			17,896	–	17,896	34,346
Management & Administration			1,629,443	2,891	1,632,334	1,497,203
Trading Expenditure			1,007,803	–	1,007,803	708,228
			2,655,142	2,891	2,658,033	2,239,777
Total Resources Expended			29,936,114	148,559	30,084,673	26,033,481
Net incoming resources for the year		–	1,315,662	54	1,315,716	494,014
Balance Brought Forward at 1 April 2002		7,488,273	2,297,646	295	9,786,214	9,292,200
Balance Carried Forward at 31 March 2003		**7,488,273**	**3,613,308**	**349**	**11,101,930**	**9,786,214**

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 27 October 2003

KENT COMMUNITY HOUSING TRUST

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2003

Net Cash (Outflow)/Inflow from Operating Activities	**31.3.2003**	**31.3.2002**
	£	£
Surplus on ordinary activiites	1,315,716	494,014
Depreciation Charge	567,757	447,338
Decrease in Debtors	323,888	(345,135)
Increase/(Decrease) in Creditors	789,556	286,279
	2,996,917	882,496
Financing		
Long Term Loan (Repaid)/Received (Net)	1,038,944	821,155
	4,035,861	1,703,651
Investing Activities		
Payments to acquire Tangible Fixed Assets (Net)	(2,582,848)	(1,547,667)
Sale of Tangible Fixed Assets	9,750	
	1,462,763	155,984
(Decrease)/Increase in Cash		
Reconciliation of Net Cash Flow to Movement in Net Debt		
(Decrease)/Increase in Cash	1,462,763	155,984
Cash (Outflow)/Inflow from change in debt	(1,038,944)	(821,155)
Increase in Net Debt from Cash Flows	423,819	(665,171)
Net Debt at 1.4.2002	(4,833,805)	(4,168,634)
Net Debt at 31.3.2003	(4,409,986)	(4,833,805)

Analysis of Net Debt	At 1.4.02	Cashflow	At 31.3.03
Changes in Cash	238,062	1,462,763	1,700,825
Changes in Debt: Bank Loan	(5,071,867)	(1,038,944)	(6,110,811)
Changes in Net Debt	(4,833,805)	423,819	(4,409,986)

Adopted at the Annual General Meeting
On 27 October 2003

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

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 it's Subsidiaries for the 52 weeks ended 31st March 2003

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 2002

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 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.

Adopted at the Annual General Meeting

On 27 October 2003

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2003

Note 2

	2003	2002
	£	£
Staff Costs		
Salaries and Wages	16,965,186	15,016,508
Staff Recruitment and Training	599,689	73,422
Employer's Social Security Costs	809,413	776,163
Employer's Pension Costs	575,628	590,796
	18,949,916	16,456,889
Analysed as		
Works Programme - Capitalised 2003	47,960	38,005
Works Programme Expenditure (including Garden Maintenance and Property Repairs)	87,005	81,460
Residential Care	12,823,421	12,012,667
Care at Home	1,218,632	1,179,423
Moving Forward	525,908	485,995
Finding Your Feet	1,501,626	1,239,429
Management and Administration	795,375	871,579
Trading Subsidiary	951,487	548,331
	17,951,414	16,456,889

	2003	2002
The average monthly number of persons employed during the year was:	1,523	1,674

Note 3

	Residential Homes	Care at Home	Moving Forward	Finding Your Feet	Total	Total
Staff Costs	12,823,421	1,218,632	525,908	1,501,626	16,069,587	14,917,514
Property Costs						
Water Rates	119,505	-40	1,373	2,843	123,681	138,322
Council Tax	16,987	83	1,930	1,235	20,235	18,602
Power and Heat	309,581	179	3,852	11,171	324,783	369,192
Rent	386,941	11,753	42,262	79,660	520,616	432,989
Property Insurance	88,795	-	4,036	8,072	100,903	62,188
Property Repairs	639,917	3,182	20,683	29,232	693,014	659,891
Property Garden Maintenance	6,204	-	-	5	6,209	15,813
Window and General Cleaning	211,643	373	1,984	6,937	220,937	185,439
Service Contracts	1,903	-	-	-	1,903	31,407
	1,781,476	15,530	76,120	139,155	2,012,281	1,913,843
Administrative Costs						
Food and Provisions	801,809	-	-	41,933	843,742	827,568
Laundry and Clothing	155,922	4,301	-	38,239	198,462	218,568
Registration	35,895	36	-	-	35,931	50,538
Travelling and Motor Expenses	34,510	17,836	49,009	96,353	197,708	196,973
Telephone	75,323	27,728	30,407	55,876	189,334	208,350
Therapy	22,755	-	-	-	22,755	19,102
Insurance (excluding Property)	55,981	7,669	3,834	9,202	76,686	47,263
Depreciation	460,101	1,004	15,613	21,173	497,891	388,180
Client Transport	46,144	-	4,483	220,209	270,836	216,913
Client Support	-	-	979	6,428,942	6,429,921	4,219,045
Other Expenses	59,489	33,029	104,459	109,864	306,841	193,650
	1,747,929	91,603	208,784	7,021,791	9,070,107	6,586,150
Finance Charges	274,117	164	383		274,664	376,197
Total	**16,626,943**	**1,325,929**	**811,195**	**8,662,573**	**27,426,640**	**23,793,704**

Adopted at the Annual General Meeting
On 27 October 2003

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2003

Management and Administration of the Charity	2003 £	2002 £
Staff Costs	882,380	953,039
Property Costs		
Council Taxes and Water Rates	3,495	3,602
Power and Heat	4,376	3,351
Rent	42,188	42,607
Property Insurance	4,036	2,487
Property Repairs	15,472	17,442
	69,567	69,489
Other Costs		
Travel and Motor Expenses	26,076	33,025
Stationery	20,206	19,627
Telephone	22,716	28,355
Postage	12,422	11,998
Computer Charges	76,154	54,295
Audit Fee	15,705	11,738
Legal and Professional Charges	158,820	48,433
Depreciation	64,245	54,451
Other Expenses	263,862	200,316
Insurance (excluding property)	20,181	12,438
	680,387	474,676
Total Expenditure	1,632,334	1,497,204

Adopted at the Annual General Meeting

On 27 October 2003

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2003

Trading Expenditure	2003	2002
	£	£
Staff Costs	951,487	682,502
Running Costs		
Travel and Motor Expenses	6,269	311
Stationery, printing & postage	12,348	8,115
Telephone	7,946	7,010
Computer Charges	9,198	85
Repairs and Equipment	4,470	0
Cleaning	1,940	88
Audit Fee	969	500
Legal and Professional Charges	37	275
Depreciation	5,621	4,706
Other Expenses	7,518	4,636
Total Running Costs	56,316	25,726
Total Expenditure	1,007,803	708,228

Adopted at the Annual General Meeting

On 27 October 2003

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31ST MARCH 2003

Note			Freehold Property	Leasehold Improvements	Computer Equipment	Fixtures & Fittings	Motor Vehicles	TOTAL
4	**Tangible Fixed Assets**		£	£	£	£	£	£
	Cost/Valuation							
		At 1.4.02	14,961,492	598,789	462,859	961,691	212,333	17,197,164
		Additions	2,062,837	60,865	90,217	341,879	27,050	2,582,848
		Disposals	–	–	-2,875	–	-45,833	-48,708
		Revaluation	–	–	–	–	–	0
		At 31.3.03	17,024,329	659,654	550,201	1,303,570	193,550	19,731,304
	Depreciation							
		At 1.4.02	488,581	273,020	287,186	566,892	172,388	1,788,067
		Charge for Year	282,972	16,648	73,356	173,397	21,484	567,757
		Disposals	–	–	-2,875	–	-36,083	-38,958
		At 31.3.03	771,553	289,668	357,667	740,289	157,789	2,316,866
	Net Book Value							
		At 31.3.03	16,252,776	370,086	192,534	563,281	35,761	17,414,438
		At 31.3.02	14,472,911	325,769	175,673	394,799	39,945	15,409,097

		GROUP		CHARITY	
5	**Debtors**	2003	2002	2003	2002
		£	£	£	£
	Trade Debtors	925,330	1,237,626	896,568	1,220,581
	Amounts due from Subsidiary Company	–	–	79,404	117,274
	Other Debtors	69,888	127,817	69,888	127,817
	Prepayments	126,433	80,918	126,433	80,454
	Accrued Income	352,792	351,770	352,732	351,770
		1,474,243	1,798,131	1,524,825	1,897,896
6	***Creditors and Accruals***				
	Trade Creditors	599,142	408,488	592,223	405,141
	Amounts due to Subsidiary Company	–	–	91,521	110,887
	Other Creditors	86,635	89,295	87,866	95,709
	Accruals	984,136	620,479	944,928	590,800
	Other Taxes and Social Security	276,779	218,395	256,129	206,850
	Deferred Income	739,644	826,704	739,644	826,704
	Capital repayments due within one year on long-term loans and leasing	694,002	429,421	694,002	429,421
		3,380,338	2,590,782	3,406,313	2,665,506

7 **Capital Commitments**

Capital expenditure contracted for, unpaid for at the year end and not provided for in the financial statements - Nil (2002 Nil)

Capital expenditure authorised by the Trustees but not yet contracted for - Nil (2002 Nil)

8 **Contingent Liabilities**

There are no known contingent liabilities arising from contracted disputes or from any other cause (2002 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:	2003	2002
Current obligations	158,935	169,851
Obligations due between one and five years	191,581	285,996
	350,516	455,847

11 ***Bank Loan Accounts***

The bank loans are secured by mortgages on certain of the Trust's properties. The amount of the loan liability is £6,480,723 (2002: £5,071,867) and the value of the properties charged is £11,995,000 (2002: £11,995,000).

Adopted at the Annual General Meeting

On 27 October 2003

Note

12 **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:-

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

13 **Amenity Funds**

There is an amount of £7073.75 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
Weybourne	*500*

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

14 **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 2003

Fixed Assets	15,892
Current Assets	130,722
Current Liabilities	(144,948)
Net Current Assets	-14,226
	1,666
Reserves	1,666
Turnover	1,043,209
Expenditure	(1,014,463)
Profit for year	28,746
Covenanted to Kent Community Housing Trust	(28,746)
	-

pted at the Annual General Meeting
On 27 October 2003

Note 15 **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.

	Rate of Contribution		2003 Cost
Pension Scheme	Employer's	Employee's	£
The Pensions Trust	10.60%	2% - 5%	41,638
KCC Pensions (LGPS)	11.2 & 13.44%	5.0 & 6.0 %	133,616
LBG Pensions (LGPS)	12.75%	5.0 & 6.0 %	17,318
LBB Pensions (LGPS)	17.50%	5.0 & 6.0 %	302,600
Sun Life	Up to 5%	Variable	68,626

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 or the defined benefit schemes:-

The Pensions Trust

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

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%).

Due to the nature of the scheme, the profit and loss account charge for the period under both SSAP24 and FRS17 represents the employer contribution payable.

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 last formal valuation of the scheme was performed at 31 March 2001 by a professionally qualified actuary. The market value of the Scheme's total assets at the last valuation date was £1,610 million. The valuation revealed a shortfall of £518 million giving a funding level of 76%.

An actuarial valuation of the Trust's share in the scheme was carried out as at 31 March 2003 using the "projected unit credit" method. The deficit at the beginning of the year was valued at £1,114,000 and the deficit at the end of the year was valued at £2,726,000.

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

	%pa
Investment return	
- Equities	8.00
- Bonds	4.80
- Property	6.00
- Cash	4.00
Pay increases	4.00
Price inflation/ pension increases	2.50

Adopted at the Annual General Meeting
On 27 October 2003

Note 15 **Pension Commitments** (cont'd)

London Borough of Bexley

The London Borough of Bexley Pension Fund is a multi-employer defined benefit 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%.

An actuarial valuation of the Trust's share in the scheme was carried out as at 31 March 2003. The deficit at the beginning of the year was valued at £400,000 and the deficit at the end of the year was valued at £2,429,000.

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

	%pa
Investment return	
- Equities	8.00
- Bonds	6.00
- Property/Other	5.50
Pay increases	4.00
Price inflation/ pension increases	2.50

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.

The last formal valuation of the Scheme was performed at 31 March 2001 by a qualified actuary. At that date the market value of the scheme's assets was £550.8 million which is a surplus over and above its liabilities of £12.4 million giving a funding level of 102%.

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

	%pa
Investment return	
- Equities	6.75
- Bonds	5.75
- 75% Equities/25% Bonds	6.50
Pay increases	4.80
Price inflation/ pension increases	2.80

Adopted at the Annual General Meeting
On 27 October 2003

KENT COMMUNITY HOUSING TRUST

COMPANY LIMITED BY GUARANTEE - NO. 2565021

REGISTERED CHARITY NO. 1002727

FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 31st MARCH 2003

REGISTERED OFFICE:

Bridgewood House
8 Laker Road
Rochester
Kent ME1 3QX

Adopted at the Annual General Meeting
27 October 2003

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 2003 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.

This report is made solely to the Trust's members, as a body. In accordance with the Companies Acts. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective Responsibilities of Trustees 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 your 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 2003 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.

Appleby & Wood

Appleby & Wood
Registered Auditors
3 The Office Village
4 Romford Road
London E15 4EA

Date: 27th October 2003

KENT COMMUNITY HOUSING TRUST

BALANCE SHEET AS AT 31ST MARCH 2003

	Note		31.3.03		31.3.02
		£	£	£	£
Tangible Fixed Assets	4		17,398,546		15,393,611
Current Assets					
Debtors & Prepayments	5	1,524,825		1,897,896	
Short Term Deposits		11,495		2,998	
Cash at Bank and In Hand		1,708,949		224,846	
		3,245,268		2,125,740	
Current Liabilities					
Creditors falling due within one year	6	2,712,311		2,236,085	
Capital Repayments due within one year					
on long-term loans & HP Accounts		694,002		429,421	
		3,406,313		2,665,506	
Net Current (Liabilities)			(161,045)		(539,768)
Total Assets less Current Liabilities			17,237,501		14,853,845
Long Term Liabilities					
Bank Loan Account	11	5,945,656		4,812,297	
Hire Purchase Account		191,581	(6,137,237)	285,996	(5,098,293)
Net Assets			11,100,264		9,755,552
Represented by					
Reserves					
Revenue Unrestricted		3,553,900		2,266,984	
Revenue Restricted		58,091	3,611,991	295	2,267,279
Capital			7,488,273		7,488,273
			11,100,264		9,755,552

Signed by: *The Lady Northbourne, Chairman*

Sir David Berriman CIMgt, Honorary Treasurer

R D Howells FCIH, Chief Executive and Company Secretary

D J Pert ACMI ACCA, Director, Finance and Resources

Adopted at the Annual General Meeting
27 October 2003

KENT COMMUNITY HOUSING TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2003

Incoming Resources	Notes	*Capital* Reserve	*Unrestricted* Funds	Restricted Funds	2003 Total funds	2002 Total Funds
		£	£	£	£	
Income from Charitable Activities			31,163,247	-	31,163,247	26,284,414
Voluntary Income & Grants			-	206,355	206,355	187,935
Interest Receivable			33,329	-	33,329	20,630
Other Income			17,152	-	17,152	9,966
Total Incoming Resources			31,213,728	206,355	31,420,083	26,502,945
Resources expended						
Direct Charitable Expenditure	3					
Residential Home Services			17,297,864	-	17,297,864	16,504,191
Care at Home Services			1,334,676	-	1,334,676	1,244,332
Moving Forward			706,852	124,238	831,090	678,683
Finding Your Feet			8,686,309	21,430	8,707,739	6,081,173
			28,025,701	145,668	28,171,369	24,506,379
Other Expenditure	3					
Advertising & Publicity			17,896	-	17,896	34,346
Management & Administration			1,883,215	2,891	1,886,106	1,497,202
			1,901,111	2,891	1,904,002	1,531,548
Total Resources Expended			29,926,812	148,559	30,075,371	26,037,927
Net incoming resources for the year		-	1,286,916	57,796	1,344,712	465,018
Balance Brought Forward at 1 April 2002		7,488,273	2,266,984	295	9,755,552	9,290,534
Balance Carried Forward at 31 March 2003		7,488,273	3,553,900	58,091	11,100,264	9,755,552

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
27 October 2003

KENT COMMUNITY HOUSING TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2003

Net Cash (Outflow)/Inflow from Operating Activities	**31.3.2003**	**31.3.2002**
	£	£
Surplus on ordinary activites	1,344,712	465,018
Depreciation Charge	562,135	442,632
Decrease/(Increase) in Debtors	373,071	(391,639)
Increase/(Decrease) in Creditors	370,895	332,444
	2,650,813	848,455
Financing		
Loans (Repaid)/Received (Net)	1,408,856	821,155
	4,059,669	1,669,610
Investing Activities		
Payments to acquire Tangible Fixed Assets (Net)	(2,567,070)	(1,545,768)
Increase in Cash	1,492,599	123,842

(Decrease)/Increase in Cash

Reconciliation of Net Cash Flow to Movement in Net Debt

(Decrease)/Increase in Cash	1,492,599	123,842
Cash (Outflow)/Inflow from change in debt	(1,408,856)	(821,155)
Increase in Net Debt from Cash Flows	83,743	(697,313)
Net Debt at 1.4.2001	*(4,844,023)*	*(4,146,710)*
Net Debt at 31.3.2002	*(4,760,280)*	*(4,844,023)*

Analysis of Net Debt	At 1.4.02	Cashflow	At 31.3.03
Changes in Cash	227,844	1,492,599	1,720,443
Changes in Debt: Bank Loan	(5,071,867)	(1,408,856)	(6,480,723)
Changes in Net Debt	(4,844,023)	83,743	(4,760,280)

Adopted at the Annual General Meeting

27 October 2003

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

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 2002

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.

Adopted at the Annual General Meeting

27 October 2003

Note 2

	2003	2002
	£	£
Staff Costs		
Salaries and Wages	16,137,437	14,894,198
Staff Recruitment and Training	475,951	375,080
Employer's Social Security Costs	809,413	761,159
Employer's Pension Costs	575,628	590,796
	17,998,429	16,621,233
Analysed as		
Works Programme - Capitalised 2003	47,960	38,005
Works Programme Expenditure (including Garden Maintenance and Property Repairs)	87,006	81,460
Residential Care	13,494,343	12,725,342
Care at Home	1,227,379	1,179,423
Moving Forward	545,803	485,995
Finding Your Feet	1,546,792	1,239,429
Management and Administration	1,049,146	871,579
	17,998,429	16,621,233

	2003	2002
The average monthly number of persons employed during the year was:	1,442	1,497

Note 3

	Residential Homes	Care at Home	Moving Forward	Finding Your Feet	Total	
Staff Costs	13,494,343	1,227,379	545,803	1,546,792	16,814,317	15,630,189
Property Costs						
Water Rates	119,504	-40	1,373	2,843	123,680	138,322
Council Tax	16,986	83	1,930	1,235	20,234	18,602
Power and Heat	309,582	179	3,852	11,171	324,784	369,192
Rent	386,941	11,753	42,262	79,660	520,616	432,989
Property Insurance	88,795	0	4,036	8,072	100,903	62,188
Property Repairs	639,918	3,182	20,883	29,232	693,015	659,891
Property Garden Maintenance	6,204	0	0	5	6,209	15,813
Window and General Cleaning	211,643	373	1,984	6,937	220,937	185,439
Service Contracts	1,903	0	0	0	1,903	31,407
	1,781,475	15,530	76,121	139,156	2,012,282	1,913,843
Administrative Costs						
Food and Provisions	801,809	0	0	41,933	843,742	827,568
Laundry and Clothing	155,922	4,301	0	38,239	198,462	218,568
Registration	35,895	36	0	0	35,931	50,536
Travelling and Motor Expenses	34,510	17,836	49,009	96,352	197,707	196,973
Telephone	75,323	27,728	30,407	55,876	189,334	208,350
Therapy	22,755	0	0	0	22,755	19,102
Insurance (excluding Property)	55,981	7,569	3,834	9,202	76,586	47,263
Depreciation	460,101	1,004	15,612	21,173	497,890	388,180
Client Transport	46,144	0	4,483	220,209	270,836	216,913
Client Support	0	0	979	6,428,942	6,429,921	4,219,046
Other Expenses	59,489	33,029	104,459	109,864	306,841	193,649
	1,747,930	91,603	208,783	7,021,791	9,070,107	6,586,150
Finance Charges	274,116	164	383	0	274,663	376,197
Total	**17,297,864**	**1,334,676**	**831,090**	**8,707,739**	**28,171,369**	**24,506,379**

Adopted at the Annual General Meeting
27 October 2003

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2003

Management and Administration of the Charity	2003 £	2002 £
Staff Costs	1,136,152	953,039
Property Costs		
Council Taxes and Water Rates	3,495	3,602
Power and Heat	4,376	3,351
Rent	42,187	42,607
Property Insurance	4,036	2,487
Property Repairs	15,473	17,442
	69,567	69,489
Other Costs		
Travel and Motor Expenses	26,076	33,025
Stationery	20,206	19,627
Telephone	22,716	28,355
Postage	12,422	11,998
Computer Charges	76,154	54,295
Audit Fee	15,705	11,738
Legal and Professional Charges	158,820	48,433
Depreciation	64,245	54,451
Other Expenses	263,862	200,316
Insurance (excluding property)	20,181	12,438
	680,387	474,676
Total Expenditure	1,886,106	1,497,204

Adopted at the Annual General Meeting

27 October 2003

KENT COMMUNITY HOUSING TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

AS AT 31ST MARCH 2003

Note

4 **Tangible Fixed Assets**

		Freehold Property £	Leasehold Improvements £	Computer Equipment £	Fixtures & Fittings £	Motor Vehicles £	TOTAL £
Cost/Valuation							
	At 1.4.02	14,961,492	595,409	453,804	950,935	212,333	17,173,973
	Additions	2,062,837	58,604	87,533	340,796	27,050	2,576,821
	Disposals	–	–	-2,875	–	-45,833	-48,708
	Revaluation	–	–	–	–	–	0
	At 31.3.03	17,024,330	654,012	538,463	1,291,731	193,550	19,702,086
Depreciation							
	At 1.4.02	488,581	272,490	283,189	563,714	172,388	1,780,363
	Charge for Year	282,972	16,040	70,588	171,051	21,484	562,135
	Disposals			-2,875		-36,083	-38,958
	At 31.3.03	771,553	288,530	350,902	734,765	157,789	2,303,540
Net Book Value							
	At 31.3.03	16,252,776	365,483	187,560	556,966	35,761	17,398,546
	At 31.3.02	14,472,911	322,919	170,615	387,221	39,945	15,393,611

5 **Debtors**

	2003 £	2002 £
Trade Debtors	896,568	1,220,581
Amounts due from Subsidiary Company	79,404	117,274
Other Debtors	69,688	127,817
Prepayments	126,433	80,454
Accrued Income	352,732	351,770
	1,524,825	1,897,896

6 **Creditors and Accruals**

Trade Creditors	592,223	405,141
Amounts due to Subsidiary Company	91,521	110,887
Other Creditors	87,866	95,703
Accruals	944,928	590,800
Other Taxes and Social Security	256,129	206,850
Deferred Income	739,644	826,704
	2,712,311	2,236,085

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 (2002 Nil)

Capital expenditure authorised by the Trustees but not yet contracted for - Nil (2002 Nil)

8 **Contingent Liabilities**

There are no known contingent liabilities arising from contracted disputes or from any other cause (2002 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:	2003	2002
Current obligations	158,935	169,851
Obligations due between one and five years	191,581	285,996
	350,516	455,847

11 **Bank Loan Accounts**

The bank loans are secured by mortgages on certain of the Trust's properties. The amount of the loan liability is £6,480,723 (2002: £5,071,867) and the value of the properties charged is £11,995,000 (2002: £11,995,000).

Adopted at the Annual General Meeting

27 October 2003

Note 12 **Employee's Emoluments**

The total emoluments (i.e. remuneration and Benefits-in-kind, as defined for taxation purposes) for the year ended 31 March 2003 **was £15,148,005**

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:-

Emoluments	No. of Employees
£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 13 **Amenity Funds**

There is an amount of £7073.75 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	68
Weybourne	500

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

Note 14 **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.

	Rate of Contribution		2003 Cost
Pension Scheme	Employer's	Employee's	£
The Pensions Trust	10.60%	2% - 5%	41,638
KCC Pensions (LGPS)	11.2 & 13.44%	5.0 & 6.0 %	133,616
LBG Pensions (LGPS)	12.75%	5.0 & 6.0 %	17,318
LBB Pensions (LGPS)	17.50%	5.0 & 6.0 %	302,600
Sun Life	Up to 5%	Variable	67,644

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 or the defined benefit schemes:-

The Pensions Trust

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

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%).

Due to the nature of the scheme, the profit and loss account charge for the period under both SSAP24 and FRS17 represents the employer contribution payable.

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.

Note 14 **Pension Commitments** (cont'd)

Kent County Council
The Kent County Council Pension Fund is a multi-employer defined benefit 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 total assets at the last valuation date was £1,610 million. The valuation revealed a shortfall of £519 million giving a funding level of 76%.

An actuarial valuation of the Trust's share in the scheme was carried out as at 31 March 2003 using the "projected unit credit" method. The deficit at the beginning of the year was valued at £1,114,000 and the deficit at the end of the year was valued at £2,726,000.

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

	%pa
Investment return	
- Equities	8.00
- Bonds	4.80
- Property	6.00
- Cash	4.00
Pay increases	4.00
Price inflation/ pension increases	2.50

London Borough of Bexley
The London Borough of Bexley Pension Fund is a multi-employer defined benefit 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%.

An actuarial valuation of the Trust's share in the scheme was carried out as at 31 March 2003. The deficit at the beginning of the year was valued at £400,000 and the deficit at the end of the year was valued at £2,429,000.

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

	%pa
Investment return	
- Equities	8.00
- Bonds	6.00
- Property/Other	5.50
Pay increases	4.00
Price inflation/ pension increases	2.50

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.

The last formal valuation of the Scheme was performed at 31 March 2001 by a qualified actuary. At that date the market value of the scheme's assets was £550.8 million which is a surplus over and above its liabilities of £12.4 million giving a funding level of 102%.

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

	%pa
Investment return	
- Equities	6.75
- Bonds	5.75
- 75% Equities/25% Bonds	6.50
Pay increases	4.80
Price inflation/ pension increases	2.80